CANADA

HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Thursday, July 17, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

SUGGESTED RIGID ENFORCEMENT OF REGULATIONS GOVERNING TANKER MOVEMENTS AT EAST COAST PORTS—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the threat to the environment resulting from the waiving of regulations by the Ministry of Transport, allowing loaded oil tankers to enter east coast harbours and dock without pilots, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of the Environment take immediate steps to ensure that all regulations governing tanker movements in Canadian waters are rigidly enforced, and further, that the Minister of Transport instruct the committee set up to administer vessel movements during the pilots' strike not to waive regulations with respect to safety and environmental hazards.

Mr. Speaker: The motion, proposed pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FOOD PRICES

PROPOSED SUBSIDY ON BREAD AND FLUID MILK—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that milk and bread provide the nutritional cornerstone of the diets of Canadians; in view of the fact that price increases for these very basic foods have been astronomical, bread prices having risen 51 per cent and milk prices having increased 54 per cent over the past two years; and in view of the conclusion of the Food Prices Review Board's July study on the consumption of bread and fluid milk in Canada that the financial impact of rising bread and milk prices hits hardest at those on low incomes, I ask leave to move, seconded by the hon. member for New Westminister (Mr. Leggatt):

That the government reinstate the subsidy on fluid milk and introduce a subsidy on bread, and that these subsidies be effective immediately.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SUGGESTED DEBATE ON ADMISSION OF PALESTINIAN LIBERATION ORGANIZATION REPRESENTATIVE TO TORONTO CONFERENCE—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to present a motion dealing with a most important and urgent matter.

As a syndicated group in Quebec, designated as the Quebec-Palestine Association, threatened yesterday to hold certain government authorities responsible for eventual reprisals if the Palestine Liberation Organization is barred from the international crime conference organized by the United Nations and to be held in Toronto next September, and further, as a Montreal daily announced that the government of Canada, acquiescing to the wish of the PLO, had decided to give them access to the conference, while postponing to a later date publication of its decision, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House be allowed to discuss immediately this whole matter with a view, on the one hand, to analyzing its implications both national and international, and on the other hand, to determining clearly and without equivocation the Canadian position on this matter of prime importance.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

[*English*]

PUBLIC SERVICE

REQUEST FOR RESUMPTION OF BARGAINING WITH STRIKING SHIP PILOTS AT HALIFAX—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I, too, wish to take advantage of Standing Order 43, which is something I seldom do, to ask leave of the House to move a motion under that standing order relating to the energy shortage, more particularly the transfer of fuel from a super-tanker to a smaller ship at the entrance to Halifax Harbour. I would move, by leave of the House, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That the government be instructed to take every proper step to bring the parties to the Atlantic pilots' contract dispute back to the bargaining table within the next 48 hours.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

AIR TRANSPORT

REQUEST FOR CABINET DECISION ON APPEAL BY CONSUMERS ASSOCIATION AGAINST FARE INCREASES—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the appeal taken by the Consumers Association of Canada to the cabinet from a decision of the Canadian Transport Commission respecting the granting of increases in domestic air fares, and in view of the fact that the government has neglected or refused to hand down a decision to this appeal for an undue length of time, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House direct the government to hand down a decision on the appeal by the Canadian Association of Consumers and report same to this House, through the Minister of Transport, before the day this House adjourns for the summer recess, or July 31, 1975, whichever date first occurs.

Mr. Speaker: This motion under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ENERGY

PROPOSED COMMITTEE STUDY OF QUESTION OF SAFETY CONNECTED WITH THE OPERATION OF NUCLEAR REACTORS—MOTION UNDER S.O.43

Mr. Stuart Leggatt (New Westminister): Mr. Speaker, I, too, rise under the provisions of Standing Order 43. In view of the report today that Canada will participate in a study on the feasability of CANDU reactors being constructed in the United States and in return will receive the benefit of the intensive United States studies on safety, and in view of the question about Canadian research into the safety of its own reactor, I would move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the question of safety for the operation of CANDU nuclear reactors be referred to the Standing Committee responsible for environmental matters.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

REQUEST FOR FREIGHT SUBSIDY ON FISH SHIPPED TO THE FRESHWATER FISH MARKETING CORPORATION—MOTION UNDER S.O.43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I also rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the critical state of the fishery in northern Manitoba I move, seconded by the hon. member for Churchill (Mr. Smith):

That the Minister of Transport take immediate steps to implement a system of freight subsidies on a poundage basis for all fish shipped to the Freshwater Fish Marketing Corporation north of the 53rd parallel in that province.

Mr. Speaker: This motion under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR INQUIRY ON THE PRICE OF SUGAR—MOTION UNDER S.O.43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to move a motion on an important and urgent problem.

Keeping in mind that there is no adequate control over the price of sugar and since the unpredictable rises and declines of the prices of that commodity are liable to spread doubts among the people concerning the true role

which must be played by the government in this matter, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House suggest to the minister to make immediately a statement to enlighten the Canadian people about those deplorable conditions.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF ESCALATION IN 1976—GOVERNMENT ACTION TO ENCOURAGE RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Now that the economists have had an opportunity fo examine the economic outlook in the context of the minister's budget, I wonder whether the minister shares the concern being expressed that inflation is likely to escalate again in 1976, and if he does share that concern when may we expect a significant reaction from the government and could he tell us what it might be.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I stated that concern fully in the budget speech which I am sure is familiar to the Leader of the Opposition. It depends very much on food prices and on the effect that wage and cost of production increases may have on the price structure of the country.

Mr. Stanfield: Mr. Speaker, the minister having said on May 9, I believe it was, that "all of us must face up to the fact that time is running out," and since we have this prospect facing the country in 1976 of further inflation could the minister tell us whether he proposes to adopt any further policy to encourage restraint not having exercised this option in the budget? Does he, for example, intend to make any further effort to achieve voluntary agreement on restraint.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I said on budget night, and to the press after the budget, that I would wait to assess the reaction to the budget by the leaders of the various sectors of the economy; that I felt one of the advantages of the consensus process had been a further opening of communication between the government and leaders in the economy, and that I intend to keep those channels of communication open.

Mr. Stanfield: Is there any conclusion that anybody can reach other than that the government's only policy for maintaining any kind of restraint in the economy is the continuation of a very substantial unemployment which the Prime Minister has said will be with us for a good long time?

Mr. Turner (Ottawa-Carleton): That is not the conclusion I would ask the hon. gentleman to draw.

Mr. Trudeau: Mr. Speaker, I rise on a point of order. I think I have been misquoted by the Leader of the Opposition

Some hon. Members: Order.

Mr. Speaker: It is impossible for me to tell whether the point of order needs to be deferred until three o'clock until I hear it.

Mr. Trudeau: I believe the Leader of the Opposition misquoted me, and I am sure he would want to correct that if given the chance. If I am allowed to state the misquotation, I will do it now.

Mr. Stanfield: I see no reason to withdraw the comment, in view of the Prime Minister's attitude and particularly in view of what he said the other day in response to a question.

Some hon. Members: Hear, hear!

Mr. Speaker: I do not know whether other questions will turn on the quotation. If not, perhaps the point of order should wait until three o'clock.

Mr. Stanfield: On the point of order, Mr. Speaker, I was not—

Some hon. Members: Three o'clock.

Mr. Speaker: Either there is or is not a point of order to be taken now, but the rule must apply the same to both sides of the House.

INFLATION—POSSIBILITY OF ADOPTING VOLUNTARY RESTRAINT PROGRAM

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a question for the Minister of Finance. In view of the minister's statement in reply to my leader that the consensus talks would likely continue, could the minister indicate whether he anticipates he will be able to bring in a voluntary control program as he originally intended?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I said on budget night, that depends on the reaction of the leaders of the various sectors of the economy to the budget.

MINISTER'S ESTIMATE OF RATE OF GROWTH THIS YEAR

Mr. Sinclair Stevens (York-Simcoe): As the minister has repeatedly stated that he has always been frank with the Canadian people, and in view of the anticipated high inflation rates, would the minister be frank enough to tell

the House and the people what he anticipates will be the real rate of growth in Canada in the current year, a figure he gave in each of his four budgets for each year but not in his June 23 effort?

Hon. John N. Turner (Minister of Finance): If the hon. gentleman would read the budget speech carefully he would find that I estimated the rate of growth at somewhere between zero and one per cent.

Mr. Stevens: In view of the apparent indecision so far as the minister is concerned, I would direct a further supplmentary question to him. Is it the intention of the minister to continue in his present portfolio and face the result of his economic policies this time next year?

* * *

PUBLIC SERVICE

REQUEST FOR PRIME MINISTER'S VIEW OF WHAT CONSTITUTES POLITICAL CRITICISM BY TRADE UNION REPRESENTATIVE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Prime Minister and it arises out of a question I put to him yesterday concerning the suspension of a civil servant by the name of Mr. Arthur Stewart. The Prime Minister at that time said he knew nothing about the details of the case, but went on with a process of reasoning that some might well regard as being tortuous unless they were trained as Jesuits. He went on to conclude, as recorded at page 7619 of *Hansard;*

. . . I agree with the stand he has taken—

"he" being the Minister of Supply and Services

—That it is not proper for civil servants to criticize and make political statements against the government.

Considering that the article in question, which led to the suspension of Mr. Stewart was essentially criticism of the administration concerning the failure on the one hand of the minister to meet trade union officials, and second—

Mr. Speaker: Order, please. I allow the hon. member for Oshawa-Whitby the leniency to which he is entitled as leader of a party in making a preamble to his question, but I wonder if he would get to his question.

Some hon. Members: Hear, hear!

● (1420)

Mr. Broadbent: I would like to ask the Prime Minister if it is his view, and the view of the government, that such criticism by a trade union official constitutes political criticism. If so, what would the Prime Minister say is non-political criticism coming from a trade union representative?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I regret the slur on the Jesuits which the Leader of the New Democratic Party has just made, in view of the fact that they are not here to defend themselves.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[Mr. Stevens.]

Mr. Trudeau: If the hon. member for Cape Breton-East Richmond were of another order I am sure he would be up on a point of privilege.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member is asking me a question about the details of the case. I told him yesterday that I had not examined it. I discussed it very briefly with the minister in the House yesterday. I suggest that the question be addressed to the Minister of Supply and Services. He is certainly more able than I to answer on the particulars of the case. The principle is still the same as it was yesterday—and I would hope that a former professor of political science would support it—that it is not necessarily the job of public servants to enter into politics against the government.

Mr. Broadbent: It is my intention to have the difference between political criticism and non-political criticism clarified. My question follows upon the Prime Minister's very general statement on this subject yesterday which pertained to all civil servants. In all seriousness, would the Prime Minister clarify for the House what the general view of the government is as to what constitutes political criticism by a trade union official as opposed to what does not?

Mr. Turner (Ottawa-Carleton): Mark a C minus on that, please.

DIFFERENCE OF TREATMENT BETWEEN EMPLOYEES ALLEGEDLY GUILTY OF POLITICAL CRITICISM

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary, Mr. Speaker. Even a Jesuit would not have remained silent on that. In his last answer in the House yesterday, the Prime Minister made reference to an Admiral in the defence forces in Canada. He objected to political criticism coming from that source, with which I am in agreement, but I would like to ask him if he considers it just to suspend an ordinary civil servant for what he regards as political criticism, such suspension resulting in the loss of three months pay, but simply to reprimand an Admiral in the navy.

* * *

[*Translation*]

COMMUNICATIONS

CABLEVISION—MEASURES TO PROTECT CONSUMERS—MINISTER'S POSITION

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

Since the conference of communications ministers ended yesterday in a stalemate, could the minister assure the House that public interest will be protected, that it will not fall into the hands of the private sector, of people who have no say in that debate? And could he also assure the House that acceptable provisions will be submitted again so as to reopen the case and not indefinitely deprive people in and around Rimouski of an adequate cable service?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I was going to say that I thought the hon. member had not read the papers carefully, but I have just been reading them and I understand his being utterly confused as, depending on the paper you read, the outcome of the conference was a success or a failure. I might tell him though that I do not agree personally, after attending the whole meeting and even presiding over it, that an impasse was reached. I regret the province of Quebec decided to withdraw, but we did take a positive step in agreeing to establish the Council of Communications ministers of Canada. There will be an empty seat, and as I said I regret that, bur eight and even very probably nine of those seats will be occupied, so that our discussions can progress. The province of Quebec decided to remain outside the council and to go its own way. Unfortunately, I cannot help that, and I can barely take it as a fact. As to the suggestions at the conference, I would tell the hon. member that the ones which were put forward by the federal government have been deemed acceptable, at least for further discussion, by nine out of ten provinces, which in baseball would be a fairly satisfactory batting average.

Mr. Allard: Mr. Speaker, I have a supplementary question.

I am grateful to the minister for his explanations. However, considering that the province of Quebec may have withdrawn sort of banging the door, which I do not know, are we to infer that in spite of the absence of Quebec, the people of the Rimouski area and its vicinity will not be deprived of the service they have been seeking for many years?

Mr. Pelletier: Mr. Speaker, I want to emphasize first of all that Quebec withdrew quite civilly and without banging any door. I want to assure the hon. member that the Rimouski area will not be deprived of anything by the federal government. As to the steps which may be taken in this respect by my Quebec counterpart, because I decided long ago not to try any longer to predict what they will be from one week to the next, I cannot assure the hon. member of anything. He will have to seek any such assurance from the Quebec minister of communications.

[*English*]

Mr. Speaker: Order, please. A few days ago the hon. member for High Park-Humber Valley attempted to put a question to the Minister of Labour about a single bargaining agent. I indicated that he ought not to be allowed to put the question because he had put the question at another time and that it had been answered. He has contended that all he had done the previous day was to put those remarks pursuant to a motion under Standing Order 43. Upon checking the record it turns out that he is absolutely right and I was wrong. He ought, therefore, to be allowed to put the question.

Oral Questions

LABOUR CONDITIONS

PROPOSED SINGLE BARGAINING AGENT FOR PUBLIC SERVICE—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Thank you very much, Mr. Speaker. I am happy that the minister has had time to study the question and I hope he will come up with a good answer. In view of the fact that there has been an unprecedented record number of lost man-days in productivity in recent months due to strikes and walk-outs—as a matter of fact nearly two million man-days were lost—and because the existing fragmentation of union power within the public service and other federal agencies is partially responsible for this drastic loss in productivity, could the minister advise the House whether the government intends to look at the possibility of having union groups in a single public service sector bargaining with the government simultaneously in order to avoid the fragmentation of union power and, if so, when can this House expect an announcement?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have indicated to the House and to the hon. member before that there was a good deal of sympathy for this type of approach in terms of consultation and rationalization. I might indicate also there have been discussions toward this end, not only with the chairman of the Canada Labour Relations Board but with the business community and the labour movement itself. There is a general disposition to try to achieve this type of objective. I might say we have achieved something along these lines already. I have indicated in this House before that Mr. Joe Morris, president of the Canadian Labour Congress, has already met with people in the grain handling area to achieve this type of consultation.

Mr. Jelinek: A supplementary question. In view of the minister's answer and his obvious interest in this suggestion—which, by the way, I made in this House over six months ago—could he advise if he intends to take all appropriate steps to assure the passage of my own bill dealing precisely with this subject?

Mr. Munro (Hamilton East): Mr. Speaker, I, of course, welcome the hon. member's enthusiasm for this approach but I would say that the success toward this type of objective is such that I believe it requires a good deal of co-operation from all parties concerned. I am talking in terms of the labour movement and their rights, rights which have the support of all members of the House, and I am talking about employers. I do not necessarily believe that coercive type legislation will help to achieve this objective and I make this plea to hon. members and others: let us see whether it cannot be achieved through co-operative effort, as opposed to legislation.

Oral Questions

● (1430)

EXTERNAL AFFAIRS

DATE OF DECISION ON ADMISSION OF PALESTINIAN LIBERATION ORGANIZATION REPRESENTATIVES TO ATTEND TORONTO CONFERENCE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As he seemed to reach his usual low boiling point rather early today, I suggest that he should not blow his top, because it is bad for his health.

Some hon. Members: Oh, oh!

Mr. Hees: My question is this: as the government has now had an additional week, on top of many previous weeks, to discuss whether it intends to allow the PLO, an organization whose mode of operation is based on organized terror and murder, to come to Canada for the United Nations conference in September, has the government made up its mind on what its decision is to be on this matter and, if so, will the Prime Minister announce it to the House now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I point out that the hon. member blew his top a long while ago; that will explain why he has none.

Some hon. Members: Oh, oh!

Mr. Nowlan: What happened to your own? You are not too well off in that department.

Mr. Hees: It is time to adjourn parliament.

Mr. Trudeau: Mr. Speaker, I withdraw that. I really should not talk that way to a senior citizen, although he is in such good shape that I keep forgetting he is over 65.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, on the substance of the question, as opposed to the preamble, I would say that my commitment still stands. We will make an announcement on this next week.

Mr. Hees: A supplementary question, Mr. Speaker. The Prime Minister referred to my distinguished age. I suggest that if he does not cool it a little more than he has in the past, he will not make it.

My question is this: Is it not a fact that the government has already made its decision on this matter but has decided to hold up the announcement until next week, in the hope that parliament will then be recessed, so that the government can avoid the anger of the opposition which the Prime Minister's announcement will provoke?

Mr. Trudeau: No, Mr. Speaker. If it is held up until next week, it is in the hope that a few more Conservatives show up to sit on their benches.

Some hon. Members: Hear, hear!

[Mr. Munro (Hamilton East).]

TRANSPORT

REQUEST FOR RETROACTIVE FREEZE ON FREIGHT RATES ON FRESHWATER FISH IN NORTHERN MANITOBA

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Minister of Transport. As the tripling of CNR freight and express rates has brought the freshwater fishing industry of northern Manitoba to its knees, will the minister take immediate action to freeze freight rates, governing the transportation of fish in northern Manitoba retroactively to May 1, so that this important industry may survive and provide much needed jobs for the people of northern Manitoba?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if such a problem exists, I think it should be discussed not only with the Department of Transport but also with the Department of Regional Economic Expansion, because many industries are in the same position.

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AIR TRANSPORT

CANCELLATION OF AIR CARRIER SCHEDULES II AND III—ALTERNATIVE METHOD OF RECEIVING SUPPLIES IN NORTHERN COMMUNITIES

Mr. Cecil Smith (Churchill): A supplementary question, Mr. Speaker. Now that the minister has successfully brought air transportation in the north to a virtual standstill, by cancelling air carrier schedule II and III operating certificates, can the minister advise how remote communities and Indian reservations which have no other means of transport are to receive supplies, mail and medical services?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, while a number of airports had no certificates from the Department of Transport, others have had their certificates cancelled for security reasons. We shall certainly not endanger the lives of the people in the north merely to please my hon. colleague opposite.

* * *

[*English*]

INDUSTRY

PROPOSED CLOSING OF HAYS TRUCKING COMPANY, VANCOUVER—INQUIRY AS TO REASONS AND POSSIBILITY ACTION RESTRAINS COMPETITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I hope he received notice of the question. In view of the announcement by Pac-Car, a U.S. truck assembly company, that the Hays Trucking Company of Vancouver will shut down on September 30, thus entailing the loss of some 500 jobs, and as this company also operates Kenworth, a competing truck assembly in Vancouver, will the minister advise if he or his department have inquired into the reasons for this shutdown, if this is a

feasible operation and if the action constitutes restraint of competition in the Vancouver area?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have looked into this situation. There are two other companies in addition to Hays and Canadian Kenworth operating on the Pacific coast. There is the Pacific truck division of International Harvester and White Motors of Kelowna, B.C. Hays has been closed down because the market for logging trucks has declined owing to decreased demand for wood and wood products.

* * *

FOREIGN INVESTMENT REVIEW ACT

INQUIRY WHETHER ACT PREVENTS CLOSING OF ONE OF TWO SUBSIDIARIES BY PARENT COMPANY TO REDUCE COMPETITION

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. Can the minister advise the House if, pursuant to phase two of the Foreign Investment Review Act, provision has been to prevent foreign companies which own or control competing subsidiaries in Canada from closing down one business in order to reduce competition in the area in which they operate?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think that question is outside the ambit of the Foreign Investment Review Act.

* * *

TRANSPORT

APPLICABILITY OF FREEZE ON RAIL LINE ABANDONMENTS TO BRITISH COLUMBIA

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of Transport. Does the policy of freezing rail line abandonments apply only to the prairie provinces, or does it apply to the whole of Canada, including British Columbia? If it includes B.C., how can the CPR abandon service on the only rail line on Vancouver Island?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it applies to all western provinces.

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BILINGUALISM

REASON FOR REFRESHER COURSES AND SENDING OF FAMILIES TO PARIS IN VIEW OF PROPOSED REDUCTION IN EXPENDITURES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the federal government's proposal to cut back expenditures, how can the government justify $925 per week refresher courses in bilingualism for a select 125 senior civil servants in the Laurentians during the summer months?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, there was no question of bilingualism expenditure cuts except that of $4 million in special programs. This is part of study sessions that enable high officials to speak both official languages and thus deal with all Canadian citizens in the discharge of their duties.

[*English*]

Mr. Paproski: Mr. Speaker, I appreciate what the minister just said. Can the minister tell me why a directive was sent out or can he inform the House why families are being sent to Paris for further post-graduate French studies, at much higher fees, and why this is necessary at this time?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not aware of the details relating to the second question. However, I shall inquire and give details to the hon. member with pleasure.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED DRUG TRAFFICKING AT MONTREAL AIRPORT—REQUEST FOR REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Solicitor General. He has had notice of it since June 3. He said he was first made aware of the matter I am raising when he talked to reporters about allegations concerning drug trafficking at Montreal airport, the involvement of organized crime and also the involvement of various departments of the federal government. Could he report what he has learned from the Commissioner of the RCMP?

● (1440)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the story in the newspapers is correct in that there is an investigation at the Montreal airport. I might say that there are investigations at other airports with regard to drugs as well. However, the report is not correct in that there are a large number of federal government officials involved. As a matter of fact, the number is very small. I think it is three or four. That does not mean that others in other areas are not involved. I cannot say anything more about the investigation now, except that it is continuing.

ALLEGED DRUG TRAFFICKING AT MONTREAL AIRPORT—POSSIBLE INVOLVEMENT OF NATIONAL REVENUE EMPLOYEES

Mr. J. P. Nowlan (Annapolis Valley): I am sorry the Minister of National Revenue is not in the House as he was for several days when I was trying to get the floor.

Some hon. Members: Oh, oh!

Mr. Nowlan: Can the minister assure the House, and he came close to it in his first answer, that there are no officials of National Revenue directly involved because for over a month and a half this smear against National

Revenue has been outstanding. It has not been clarified. Can the Minister give that assurance?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I said that a small number of federal government employees were involved, but I would not want to identify them. I said that the large number referred to in the article was not correct. I might say as well that the release of this information was not authorized. It was due to a misunderstanding. Some measures have been taken to correct that.

Mr. Nowlan: Can the minister advise whether the officials that have been involved are still working or have they been suspended?

Mr. Allmand: I cannot say that, Mr. Speaker.

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PUBLIC SERVICE

SUGGESTION RELEASE OF MORE INFORMATION WOULD OBVIATE NECESSITY FOR ACTION BY TRADE UNION REPRESENTATIVES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. It arises out of the question asked by the leader of the New Democratic Party. I may not be a Jesuit, but I cannot follow the tortuous and convoluted reasoning of the NDP leader. Without taking sides on the philosophical problem, does the Prime Minister agree that if more information is disclosed of the nature which had been kept secret here, thus persuading the civil servant in question to make public the information he did, but if more information was revealed which should be revealed, this kind of incident would not take place.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, not knowing the details of the case, the question seems kind of theoretical to me. It seems that the kind of criticism which is being made here is the kind we should be hearing more about from the opposition, if it were doing its job.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. We would do our job if the government would have the courage to disclose the facts.

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HEALTH

OUTBREAK OF CHOLERA—INQUIRY AS TO TRACING SOURCE OF INFECTION AND CHECKING OF VACCINE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare. In view of the cholera outbreak among students returning from a trip to the Far East and the Middle East, and as this disease has a short incubation period, was a tracer put on their travel route to pinpoint the source or possible source of the infection? Since this disease has a mortality rate of 5 to 10 per cent and high cost health care, has the number of the stock vaccine been checked and reported to the manufacturer and have all contacts been reported on?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I cannot answer with regard to the stock of the vaccine, but I will inquire and give the information to the hon. member. As far as the particular students are concerned, they have all been taken into hospitals for tests, either as in-patients or out-patients. Only one case has been diagnosed as having cholera. I would point out that this was not the classical kind of cholera, but a much milder kind. All the students have been examined and they are all out of hospital at the present time. All the contacts have been reached and we do not expect any further developments in this particular incident.

Mr. Rynard: The minister did not answer all of my first question. Can he advise whether they have gone back over the travel route to pinpoint where this infection might be picked up so that other tourists can be prevented from calling there or having it cleaned up?

Mr. Lalonde: Mr. Speaker, I am informed that the group of students were visiting India. One person in particular got sick at a stopover in the Netherlands. That student was treated there. She returned with a nurse and with a diagnosis of salmonella poisoning. Only subsequently did we hear from Holland that after further checks and analysis, they concluded that it was not a case of salmonella but, rather, some kind of cholera. We were then in touch with the student immediately.

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PUBLIC WORKS

REQUEST FOR CHANGE IN REGULATIONS TO PERMIT PEOPLE IN NORTHERN AREAS TO RENT PREMISES OWNED BY DEPARTMENT

Mr. John Gilbert (Broadview): Mr. Speaker, in the absence of the Minister of Public Works, I will address this important question to the Prime Minister. In view of the housing crisis in the Northwest Territories and the fact that in the Yukon small apartments are renting for as much as $400 a month, and in view of the fact the Department of Public Works have vacant in the Yukon 130 homes, 200 detached homes and some apartments and some of the homes have been vacant for as long as five years, and in view of the fact there is a regulation—

Mr. Speaker: Order, please. Will the hon. member put his question.

Mr. Gilbert: Thank you, Mr. Speaker. In view of the fact there is a regulation—

Some hon. Members: Order!

Mr. Speaker: Will the hon. member put his question?

Mr. Gilbert: I am directing this to the Prime Minister. I hope he listens. In view of the fact there is a regulation of the Department of Public Works not to rent to employees who are local people who reside in the area, will the Prime

Minister change the restrictive and discriminatory rule and permit local people to rent these vacant homes and apartments to ease the critical housing shortage in the Northwest Territories?

Right Hon. P.E. Trudeau (Prime Minister): Mr. Speaker, in the absence of the minister who has been quite ill for some days, I will take notice of the question.

Mr. Gilbert: Is the Prime Minister aware that the same problem pertains in Fort Smith, Hay River, Inuvik and that the local people feel that if persons are from the south they can get accommodation whereas if they are from the local area, they are denied accommodation. Will the Prime Minister also direct his attention to this and have this very serious problem cleared up?

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I will take notice of the question and supply the information to the member.

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ENERGY

JOINT STUDY OF CANDU TECHNOLOGY WITH UNITED STATES—ACTION TO ENSURE CANADIAN TECHNOLOGY REMAINS IN PUBLIC SECTOR

Mr. J.J. Blais (Nipissing): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It arises out of the report that there is to be a joint study of CANDU technology as requested by the United States Energy Administration for Research and Development. In view of the fact that in the United States nuclear technology is in the private sector, and undoubtedly Westinghouse and General Electric will be requested to take part in this exchange, what measures is the minister proposing to take in order to ensure that Canadian technology remains in the public sector and under Canadian control?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is quite true that the United States administration has sought further discussions with Atomic Energy of Canada Limited with regard to the CANDU reactor. Indeed, within a matter of some weeks, AECL officials will be meeting with the Americans for the purpose of discussing this further. I am not certain that this will yield any kind of commercial arrangement between the two countries. I will have to determine after these discussions, and when there is an arrangement, whether it would be possible or indeed desirable to confine this to the public sector, the public power utilities only in the United States, or have it available on a general basis. We will be selling this technology, if there is to be an arrangement, under the full safeguards arrangements and, indeed, make certain that Canada gets the best possible return on its outstanding nuclear system.

CANADIAN FILM DEVELOPMENT CORPORATION

REASON FOR LARGE NUMBER OF GRANTS TO CARL LEMAY

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I had intended to direct this question to the Secretary of State. I notice he has left the chamber. I will therefore direct it to the Prime Minister. In an answer to a question on the order paper, No. 2,412, given me by the Secretary of State, he indicated that a Mr. Carl LeMay of Montreal was given help for ten different movie productions in the past several years by the Canadian Film Development Corporation. Would the fact that Mr. LeMay has received more than any other producer have anything to do with the fact that his brother is assistant commissioner of the National Film Board?

● (1450)

Mr. Speaker: Order, please.

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ENERGY

NATURAL GAS—PERCENTAGE OF REDUCTION IN EXPORTS TO UNITED STATES—POSSIBILITY OF GRANTING ENERGY BOARD POWERS OF ALLOCATION

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In the face of yesterday's statement by the National Energy Board that our natural gas reserves are much less than we had anticipated, whic will require a decline in the exports that we make of this important product, and since current natural gas exports to the United States are averaging about 45 per cent of our annual production, could the minister tell us what percentage of exports to the United States he is aiming for in his reduction of use of this resource?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think we would hesitate to give specific figures before having a full opportunity to discuss with the United States the impact of this decision on various American users. The view of the government is that with a commodity of this kind, which if withdrawn could have a severely adverse effect upon the United States community, we should have the fullest possible discussions with the Americans before taking any final decision. For that reason, the National Energy Board and the government have been reluctant to set out at this point, and without further discussion, any strict numerical limit.

Mr. Gillies: A supplementary question, Mr. Speaker. Does the minister intend to grant to the National Energy Board the power to allocate natural gas among the provinces as requested and, if so, would that involve direct rationing, for example, at the consumer level?

Mr. Macdonald (Rosedale): Mr. Speaker, as I indicated in the statement yesterday, the board has sought the powers of allocation, and if they are to be achieved it would require an amendment to the National Energy Board Act which would have to be brought into the House. At this point we have not finalized our decision on whether allocation would be the best and most desirable proceeding. We would like to talk to the provincial governments in this regard. If we find that the only way to achieve a good allocation is by a statutorily imposed allocation, then we would seek that remedy. as for allocation at the retail level, this, of course, would be the responsibil-

ity of the provincial agencies, like the Ontario Energy Board, which has jurisdiction over the individual distribution companies.

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INDUSTRY

FOREST PRODUCTS—REQUEST FOR ASSISTANCE PROGRAMS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce. Can the minister tell the House whether his department is planning any special assistance to the paper and allied industries sector, in view of their reduced volumes of shipments, their skyrocketing inventories and their reductions in employment; and if the minister is launching any assistance programs, could he advise the House what form this assistance will take and whether it will be directed to any particular regions of the country?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have intensified our efforts in the export markets of the world, trying to find new markets for Canadian forest products. About two weeks ago I was in Japan, and made a special effort when meeting with Japanese businessmen and officials to promote the forest products of Canada. At that time I also participated at a particular meeting at Osaka which dealt with the new timber frame construction system which the Japanese have now endorsed as a result of the work of the federal government, the provincial government and the industry itself.

PROPOSED AID IN ESTABLISHING PAPER MILL IN IRAN—EFFECT ON CANADIAN INDUSTRY

Mr. F. Oberle (Prince George-Peace River): A supplementary question, Mr. Speaker. As the minister plans, as an aid to the Canadian industry, also to supply Canadian assistance in the construction of a pulp and paper facility in Iran, a country to which Canada exports well in excess of $10 million a year in pulp and paper products, can the minister assure the House that studies within his department show Canadian assistance in establishing a potential competitor will not have a long-term, damaging effect on Canadian pulp and paper production, exports and employment? If his department has studied this possibility, would he table the study?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think that, as a result of the meetings that we had with the Iranian delegation last week to the joint economic council, a set of arrangements were worked out which should produce close to $1.3 billion in Canadian exports to Iran over the next five years. Part of that particular arrangement dealt with the pulp and paper industry. I believe that the opportunities are two way; that is to say, that there will be substantial opportunities for the export of Canadian forest products, particularly pulp and paper, to Iran, perhaps some investment in the Canadian pulp and paper industry, and assistance by Canadian companies in the transfer of technology to Iranian companies.

[Mr. Macdonald (Rosedale).]

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HARBOURS

HAMILTON—REQUEST FOR CLARIFICATION OF GOVERNMENT POSITION ON PUBLIC INQUIRY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct my question to the Prime Minister. It arises out of an answer given the hon. member for Hamilton West yesterday with respect to the harbour inquiry. The Prime Minister said that an announcement had already been made. In view of that statement and the statement attributed to the Minister of Labour yesterday in the Hamilton *Spectator* that he would have a statement to make soon in this respect, indicating one has not been made, does the Prime Minister now wish to make a correction to his statement? If not and in fact an announcement has been made, what was in it, to whom was it made, and when in fact was it made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Labour had indicated some days before his position on this petition by the Hamilton council. I believe he indicated it to some newsman. It was the government's position then and the minister is continuing to develop that position. I believe he may have some further statement to add, but the minister did indicate what was the government's position.

Mr. Baker (Grenville-Carleton): A supplemantary question, Mr. Speaker. Was an announcement made by the Prime Minister or by anybody else with respect to the inquiry?

Mr. Trudeau: I have just said.

Mr. Baker (Grenville-Carleton): Well, has an inquiry been called? If so, what are the terms of reference, when was the announcement made and to whom was it made? That is the question.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member, as the Prime Minister has indicated, that we are looking into the situation and that—

Mr. Baker (Grenville-Carleton): Did you read *Hansard* yesterday?

Mr. Munro (Hamilton East): Let me finish. I then said that I would comment later on, and later on has not yet arrived. That is what the Prime Minister said.

Mr. Baker (Grenville-Carleton): No, he did not.

[*Translation*]

COMMUNICATIONS

FEDERAL-PROVINCIAL CONFERENCE—REQUEST FOR FURTHER DISCUSSIONS WITH QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Prime Minister.

In view of the results of the last federal-provincial conference on communications, with Quebec's position as stated by the provincial minister of communications being now referred to Quebec's premier, who publicly endorsed that position Sunday last, and since the political impact of a possible break would be harmful, would the Prime Minister indicate whether he discussed the matter with his Quebec counterpart, whether he intends to do so and whether he can put forward a suggestion conducive to the province of Quebec joining the committee involved?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not been contacted by that province's premier after the conference. I suggest the federal Minister of Communications' position is the one I pointed out to the honourable member last week, namely that the conference was not empowered to bring amendments to the constitution or transfer jurisdiction. Such was the position taken by the federal Minister of Communications. It appears from the debates that Mr. L'Allier was requesting constitutional changes indeed. Although I doubt opposition members themselves would agree to such a position, I would be interested in hearing them. As far as we are concerned, I must state I have received no communication from the premier since the end of the conference.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, on a point of order, may I ask the government House leader about the business for the rest of this week and next week? In light of the motion standing in the minister's name regarding an adjournment, can the minister indicate what directives were given to him by his caucus yesterday about terminating this part of the session?

Mr. Sharp: Mr. Speaker, as the House is aware, the business outstanding that we wish to complete, if possible, before we recess is Bill C-2, the combines legislation, Bill C-66, the Excise Tax Act, and Bill C-70 on the Public Service Staff Relations Act. The latter piece of legislation was dealt with expeditiously by the committee yesterday and I hope it will go through without much debate.

● (1500)

I am less optimistic about the other two bills, C-2 and C-66. I know there is a desire on the part of members to participate in the debate, particularly on the Excise Tax Act, and I think there is a general feeling that we should not take too long and that we should reach a decision as

soon as possible. I am confident I will get the co-operation of the House in extending the hours and in shortening the length of the speeches.

Some hon. Members: No way!

Mr. Sharp: I shall be having discussions with my very co-operative friends, the House leaders of the various parties, and I am sure that in the interest of democratic progress in this House, where we take decisions without unreasonable delay, I shall have no difficulty in obtaining consent.

We shall be continuing the discussion on the Excise Tax Act tomorrow. I am not sure whether we shall do this without interruption; I may want to call third reading of Bill C-70 and perhaps Bill C-2. But our main order of business will be the Excise Tax Act.

Mr. Knowles (Winnipeg North Centre): Since the House leader is now aware of the mood of the House, would he not consider dropping Bill C-66 so that we could adjourn tomorrow?

Some hon. Members: No way!

Mr. Sharp: If the hon. gentleman is suggesting we should recess before we complete that bill, then, of course, the responsibility would be upon him for the lack of refunds.

Mr. Stevens: I rise on a question of privilege, Mr. Speaker. During the question period, the Minister of Finance (Mr. Turner), in response to a question put to him by me with respect to the real growth in the economy this year, misled the House—I am sure unintentionally—by stating, "If the honourable gentleman will read the budget speech carefully, he will find I estimated the rate of growth at somewhere between zero and 1 per cent." The fact is, there is no such reference in the budget speech. I realize the minister is under a lot of pressure, and perhaps he confused the budget address with his speech to the first ministers' conference. I wonder if he could be given an opportunity to correct the record.

Mr. Turner (Ottawa-Carleton): I will send the honourable member the reference.

Mr. Leggatt: I rise on a similar question of privilege, Mr. Speaker. Answering a question today concerning the Foreign Investment Review Act, the minister indicated that the problem of parent companies shutting down subsidiaries was a matter outside the ambit of that legislation. The criteria the minister set for approving takeovers included beneficial impact on employment and increased competition. Where a takeover has occurred and thereafter one of the plants taken over is shut down, it is clearly within the ambit of the act. I wonder, therefore, whether the minister would like to correct his answer, because he is unintentionally misleading the House if he suggests that this situation is outside the ambit of the Foreign Investment Review Act.

Mr. Speaker: Order, please. It is a very interesting point of debate which the hon. member for New Westminster (Mr. Leggatt) has just raised.

[*Translation*]

AGRICULTURE

Ninth report of Standing Committee on Agriculture, in both official languges—Mr. Smith (Saint-Jean).

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

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[*English*]

ENERGY

TABLING OF TASK FORCE REPORT ENTITLED "SCIENCE AND TECHNOLOGY FOR CANADA'S ENERGY NEEDS"

Hon Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to table, in both official languages, copies of the report of the task force on energy, research and development entitled "Science and Technology for Canada's Energy Needs".

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CRIMINAL CODE, CROWN LIABILITY ACT, IMMIGRATION ACT, PAROLE ACT

JURISDICTION GIVEN TO CANADIAN COURTS TO TRY PERSONS FOR CERTAIN OFFENCES COMMITTED OUTSIDE CANADA

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-71, to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act.

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

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CRIMINAL RECORDS ACT

PROVISION TO ENSURE THAT CHARGES RESULTING IN ABSOLUTE OR CONDITIONAL DISCHARGE DO NOT APPEAR ON CRIMINAL RECORD

Mr. Frank Maine (Wellington) moved for leave to introduce Bill C-406, to amend the Criminal Records Act.

Some hon. Members: Explain.

Mr. Maine: The purpose of this bill is to ensure that any person who is given an absolute or conditional discharge by a court is automatically relieved of the stigma of a criminal record. As the law now stands such a person suffers undue hardship as a result of the lengthy procedure involved in obtaining a pardon.

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

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,484, 2,519, 2,537, 2,571, 2,584, 2,628, 2,782, 2,784, 2,827 and 2,870.

Mr. Speaker, if questions Nos. 1,784 and 2,533 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

CNR—ACQUISITION OF GULF TERMINAL RAILWAY LTD.

Question No. 2,484—Mr. Caouette (Témiscamingue):

1. On February 17, 1975, did the Canadian National Railways acquire the Canada and Gulf Terminal Railway Limited and, if so, at what cost?

2. Has Canada and Gulf Terminal Railway Limited received subsidies from the government and, if so (a) what was the amount (b) on what date?

3. Had Canada and Gulf Terminal Railway Limited received land or other grants from the government?

Hon. Jean Marchand (Minister of Transport): 1. On February 17, 1975 the president of the C. & G.T. Railway Company officially accepted on behalf of the principal shareholders of the company an offer made by Canadian National to purchase this line. This offer is subject to certain conditions that are currently under negotiation, and to the approval of competent authorities, federal and provincial.

2. For construction, a federal subsidy of $210,053.39 was paid under the Railway Subsidies Act of 1906. The Canada and Gulf Terminal Railway Co. received payments under the authority of the Maritime Freight Rates Act for each year from 1927 through January, 1975 in the total amount of $1,374,189.20. Also, under the National Transportation Act in respect of calendar years 1959-1974 payments were received totaling $661,364.00.

3. There were no land grants from the federal government. The Quebec government provided a grant of 147,713 acres under the authority of Quebec statute, Edward VII, Chapter 2, 1904.

DEPARTMENT OF THE ENVIRONMENT—EMPLOYEES

Question No. 2,519—Mr. Clark (Rocky Mountain):

1. As of May 15, 1975, how many persons were hired (a) through the Public Service Commission (b) under contract by the Department of the Environment for duties relating primarily to the (i) implementation (ii) administration of the proposed Environmental Contaminants Act?

2. In each case, what was the date of the original employment or commencement of contract?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. None.

2. Not applicable.

ASPHALT PLANT EMISSIONS

Question No. 2,537—**Mr. Marshall:**

1. Under a news release outlining guidelines limiting the emission of particular matter into the air from asphalt plants, what action has been taken by the Department of the Environment (a) to demand that the 350 asphalt plants in Canada provide equipment to control emissions of particular matter (b) to have the asphalt plants make an effort to provide such equipment?

2. Have any of the asphalt plants applied under the accelerated capital cost allowance programme to provide such equipment and, if so, what are the names of such plants?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. (a) Although national emission guidelines are not federally enforceable, the provincial agencies are encouraged to adopt these in order to promote a uniform nationwide approach to air pollution control. Several provinces have already indicated that their regulations would be based on the federal guidelines. The federal government does not have the authority to make any demands directly on the asphalt plants in Canada at the present time. (b) During the process of guideline development, consultation with the industries took place to ensure that a concerted effort would take place to obtain the necessary control equipment in asphalt plants in Canada.

2. Yes, forty-seven applications have been submitted by asphalt plant owners: Standard Paving Co., 1224 Lawrence Avenue West, Toronto 390, Ontario; Meloche & Frères Equipment Ltd., 3125 Boul. St. Charles, Kirkland, Quebec; Peel Construction Co. Ltd., Box 1000, Brampton, Ontario; Armstrong Bros. Company Ltd., Box 1000, Brampton, Ontario; Peel Construction Company Ltd., Box 1000, Brampton, Ontario; The FlintKote Co. of Canada Ltd. 30th St., Long Branch, Toronto 14, Ontario; King Paving & Material Ltd., 68 Old Mill Road, P.O. Box 550, Oakville, Ontario; King Paving & Material Ltd., 68 Old Mill Road, P.O. Box 550, Oakville, Ontario; Standing Paving Maritime Ltd., P.O. Box 2106, Halifax, Nova Scotia; Building Products of Canada Ltd., P.O. Box 6063, Montreal, Quebec; Building Products of Canada Ltd., P.O. Box 6063, Montreal, Quebec K.J. Beamish Construction Co. Ltd., 7901 Bayview Ave., Thornhill, Ontario; K.J. Beamish Construction Co. Limited, 7901 Bayview Ave., Thornhill, Ontario; K.J. Beamish Construction Co. Ltd., 7901 Bayview Ave., Thornhill, Ontario; K.J. Beamish Construction Co. Limited, 7901 Bayview Ave., Thornhill, Ontario; Royal Paving Ltd., P.O. Box 418, Lindsay, Ontario; Ellwood Rohnson Ltd., 721 John St., P.O. Box 40, Sault Ste. Marie, Ontario; W.G. Thompson & Sons Ltd., Belhneim, Ontario; Blacktop Construction Ltd., Box 600, Bridge Port, Ontario; Toro Asphalt Co., 93 Toro Road, Downsview, Ontario; Nord Construction Ltd., 2604 Chemin du Lac, Longueuil, Quebec; Botting Asphalt Paving Ltd., 1870 St. Clair Avenue West, Toronto, Ontario; Charles Duranceau Ltée, 2545 Jacques Hertel St., Montreal 206, Quebec; Standard Paving Maritime Ltd., P.O. Box 2106, Halifax, Nova Scotia; Miller Paving Ltd., Buttonville, Ontario; Miller Paving Ltd., Richmond Hill Plant, Buttonville, Ontario; Miller Paving Ltd., Highland Creek Plant, Buttonville, Ontario; Miller Paving Ltd., Buttonville, Ontario; Standard Paving Maritime Ltd., P.O. Box 2106, Halifax, Nova Scotia; Union des Carrières & Pavage Limitée, 496 2nd Ave., Quebec 3, Quebec; Les Entreprises P.E.B. Ltée, 214 Lere Ave., Lac St. Charles, Comté Chauveau, Québec, G0A 2H0; Curran & Bridges Ltd., Box 1625, Summerside, Prince Edward Island; C & W Asphalt Paving Co. of Wallaceburg Ltd., 20 Hird St., Wallaceburg, Ontario N8A 4S5; Scotland & Co. Paving Ltd., #4—520 B Clark Road, Coquitlam, B.C.; Bishop Building Materials Ltd., 21 Fleeceline Rd., Toronto, Ontario M8V 2K4; Cos Construction Ltd., Guelph, Ontario; Ashland Oil Canada, Ashland Paving & Materials Division, Thunder Bay Plant, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland Paving & Materials Division, Scarborough Plant, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland Paving & Materials Division, Oshawa Plant, Sault Ste. Marie Plant, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland Paving & Materials Division, Mississauga Plant, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland Paving & Materials Division, Oshawa Okabtm 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland & Materials Division, Division, Downsview Plant, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland Paving & Materials Division, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Ashland Oil Canada, Ashland Paving & Materials Division, Waterloo Township Plant, 72 Ashwarren Rd., Downsview, Ontario M3J 1Z2; Union des Carrières et Pavage Ltée, Québec; Repac Construction & Materials Ltd., P.O. Box 177, West Hill, Ontario; Standard Paving Maritime Ltd., P.O. Box 2106, Halifax, Nova Scotia.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—LANGUAGE TRAINING COSTS

Question No. 2,571—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of National Health and Welfare for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. $267,000.

2.(a) Due to the changing nature of the number of conditional appointments to the department, it would be extremely difficult to forecast this information for the fiscal year. (b) Nil—These costs are borne by the Language Bureau, P.S.C. (c) $178,000.000—in-house training programs. (d) $89,000.00—Berlitz.

DEPARTMENT OF VETERANS AFFAIRS—LANGUAGE TRAINING COSTS

Question No. 2,584—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of Veterans Affairs for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. $33,000.

2. (a) Nil, (b) Nil, (c) Nil, (d) $33,000.

Order Paper Questions

CBC EMPLOYMENT PRACTICES

Question No. 2,628—**Mr. McKenzie:**

1. Is CBC advertising or otherwise soliciting in other countries for applicants to positions with the Corporation and, if so (a) in which countries (b) for what positions (c) what are the other details?

2. For how long and for what positions has such practice been employed in the past?

3. What is the reason for such practice?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes (a) Britain, France, U.S.A. (b) Britain: television production and program management staff, engineers, clerical staff. France: technician, clerical staff, U.S.A.; clerical and research staff. (c) See below.

2. Advertising for staff in other countries to work in Canada is not a common practice of the CBC. Staff have been sought in this way only within the last two years.

3. The clerical staff are hired by the CBC's foreign offices in London, Paris, New York and Washington because in these locations the law requires that local people be hired if they are capable of doing the work. This category includes stenographers, accountants, switchboard operators, researchers and messengers. The television and program management staff were sought for possible employment in western Canada. This was in order to attract exceptionally well qualified and experienced television staff to western regional centres. In addition, international searches for a head of television drama and a head of television variety programs for the English services division were carried out. On a referral basis persons of international status were sought in Canada, Britain and the United States. In the case of drama the search took place in the spring and summer of 1973, in the case of variety the search began in the spring and summer of 1974 and was resumed in 1975, once the position of director of television entertainment programming, which had become vacant in the meantime, was filled. Both positions were filled with Canadians. Also hired by referral within the last year in order to obtain exceptionally well qualified and experienced staff were three television drama directors from Britain, one of whom was a Canadian resident in Britain, two current affairs producers from Britain and one current affairs researcher from the United States. Engineers were sought in Britain after an extensive advertising campaign in Canada produced only three qualified candidates for approximately twelve positions. Similarly, a technician was advertised for in France after a search had been made in Canada for a broadcasting technician qualified to train other personnel.

FINANCIAL SUPPORT FOR THEATRE GROUPS

Question No. 2,782—**Mr. Robinson:**

Does the government provide any financial support for the theatre groups (a) Factory Theatre Lab (b) Tarragon Village (c) Globel Village (d) The Theatre, Second Floor (e) Toronto Arts Foundation (f) Stratford Shakespearean Theatre Foundation (g) Young People's Theatre (h) Phoenix Theatre (i) Toronto Free Theatre (j) New Theatre (k) Toronto Truck Theatre (1) Open Circle Theatre and, if so, to what extent?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: The Canada Council has provided financial support for the groups listed as (a), (b),(c), (f), (g), (i), (1). For the fiscal year 1974-75, these groups reveived the following amounts: (a) $30,000; (b) $35,000; (c) $5,000; (e) $235,000; (f) $467,000; (g) $20,000; (i) $27,500; (1) $5,000.

LAUNDRY PRODUCTS

Question No. 2,784—**Mr. Hnatyshyn:**

Do certain laundry products designed to cut static electricity in dryers have the tendency to clog lint screens in dryer exhaust vents and cause dangerous overheating and, if so, is it the intention of the government to ban the use of such products?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): These antistatic laundry products leave a residual film in use. The film will desposit on tent screens of dryers and cause more rapid clogging than would be encountered when they are not used. This effect is increased when excessive amounts of the antistatic product is used. Product labels provide very specific use instructions and a caution to clean lint from traps after each dryer load. In view of the label information provided to consumers, the Department of Consumer and Corporate Affairs is not considering a ban at this time.

CANADIAN WHEAT BOARD EMPLOYEES

Question No. 2,827—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by that section of the Department of Justice responsible for the Canadian Wheat Board for duties relating primarily to the implementation and administration of Bill C-53, An Act to amend the Prairie Grain Advance Payments Act, No.2?

2. In each case, what was the date of the original employment or commencement of contract?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Justice): In so far as the minister responsible for the Canadian Wheat Board is concerned 1. (a) (b), Nil.

2. Not applicable.

MR. W. LUYENDYK

Question No. 2,870—**Mr. Clark (Rocky Mountain):**

Did Mr. W. Luyendyk leave the Public Service and, if so (a) on what date (b) for what reason?

Right Hon. P. E. Trudeau (Prime Minister): Yes. (a) November 15, 1974. (b) Accepted an appointment with the city of Edmonton (see Privy Council Office Press Release of November 29, 1974).

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

MINISTER'S SPEECHES

Question No. 1,784—**Mr. Clark (Rocky Mountain):**

1. During the period March 31, 1974 to February 28, 1975, on how many occasions did a Minister of the Crown employ or otherwise arrange for the services of a freelance or contract speech writer?

2. In each case (a) who was the Minister (b) what was the fee (c) what was the occasion of the speech (d) who was the freelance or contract writer?

Return tabled.

FIREARMS

Question No. 2,533—**Mr. Whiteway:**

1. For the year 1974, how many crimes were committed in which firearms were used?

2. How many crimes were committed in which knives, clubs, axes, scissors etc. were used?

3. How many such firearms used were (a) unrestricted (b) restricted but unregistered (c) restricted but registered and, in each case, how many (i) murders (ii) homicides (iii) suicides were committed?

4. What is the official estimate of (a) unrestricted (b) restricted but unregistered (c) restricted but registered firearms in Canada?

Return tabled.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed, from Wednesday, July 16, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I am disappointed that the Minister of Finance (Mr. Turner) has had to leave the chamber.

An hon. Member: He is back.

Mr. Muir: I am happy to see him return; I am sure that, of all members, he would want to hear what I have to say. Mr. Speaker, it is very difficult to criticize this minister because he really is a pretty fine guy. It is difficult to hit him hard. I shall try not to be too hard on him and his budget proposals.

Yesterday evening, just before the hour of the adjournment at six o'clock, I was referring to the fact that after the budget, when this resolution came on, all the members of the cabinet, it seemed to me, divorced themselves from the minister, from the budget and, in particular, from the resolution before us—this iniquitous tax to which I referred last night. So far I have not heard anyone come to the minister's defence saying how wonderful this measure is and what a great idea it was. I would hope some Liberal members, although of course not all, would support the minister, particularly the bumbling House leader who messes up everything: I would hope that he, at least, would support the Minister of Finance who in this case needs much support.

● (1510)

I also asked if the government could defend this tax, but of course there is no defence whatsoever. The budget and

this resolution will increase the degree of inflation that has become such a cruel and crushing blow for all Canadians, but especially for the poor and the elderly who are fixed incomes. It means that next winter will be even more severe for them than last winter, and that their savings—if indeed they have any—will be eaten up at an even faster rate. It will also mean that many small businesses which have their backs to the wall as a result of the government's diabolical policies will face closure and bankruptcy.

Indeed, we are seeing the results of closure of industries in Cape Breton Island at the moment. Lay-offs and unemployment will become even more commonplace in the days ahead, although goodness knows the situation is bad enough now and I do not want to see any more lay-offs and unemployment.

It is all very well for the Minister of Finance to tell us that things are picking up in the United States, and how wonderful that is, just as he has told us in the last few years that because the economy is bad in the United States it will be bad here. He blamed many things on the weather. I think he also talked about praying, and so on, but it has not had much success. It is all very well for the minister to suggest that we read the glowing testimony of selected economists who say that we are just around the corner from recovering from the recession, which indeed has worsened because of the policies of this government, but it will take more than glowing statements to convince the people of my constituency that we are anywhere but in the throes of deep depression on Cape Breton Island.

Unemployment there at the moment is between 15 per cent and 20 per cent at a minimum. Every aspect of our economy is in desperate trouble. The figures I have quoted are produced by the office of the Minister of Manpower and his officials. I suggest that, if anything, they are conservative figures, considering the source from which they came. Last year in my riding we faced the loss of the General Instruments plant, which meant the loss of close to 1,000 jobs. That was indeed a major blow to our economy. Regardless of the suggested efforts to overcome that disaster, we still have an empty plant and we still have 1,000 former employees seeking jobs that do not exist.

What will this ten-cent a gallon tax on gasoline do for those people? Will it assist them? I am afraid not. When these unemployed men and women are told they will have to pay ten cents more for a gallon of gasoline, and more for the oil to heat their homes out of their UIC cheques that are quickly coming to an end, if they have not already, there will be little appreciation for the logic of the budget or its intent.

Yesterday Mr. Speaker announced that the Minister of Finance had given permission for a new coin to be struck to celebrate the one-hundredth anniversary of the Library of Parliament. At the same time it might be well for the minister to have a new ten-cent piece struck to commemorate this tax he is imposing: on one side of it there could be an effigy of the minister with his hand in the taxpayer's pocket.

As a result of the problems I have outlined, instead of new hope we face new disasters one on top of the other. We have just learned of the forthcoming closure of the Canadian Motor Industries plant and the elimination of 70

jobs by October. The sad fact of this closure is that those 70 employees have nowhere to look for other employment on Cape Breton Island. What does the Minister of Manpower and Immigration (Mr. Andras) suggest? He refers to the mobility program. That was the suggestion of Walter Gordon, chairman of the Royal Commission on Canada's Economic Prospects. That was the proposal for the ills of the Atlantic provinces back in 1957.

The situation has not changed very much since that time. This government gives the people of the Atlantic provinces a one-way ticket to Ontario. It suggests that they move out, leave everything and go. The sad fact is that the move is a little different now. People are coming back from Toronto, St. Catharines, Hamilton, Welland and all over Ontario. They are coming back east because they have been laid off from their jobs and have nowhere to look for employment.

What does the Minister of Finance or the government intend to do to assist these workers and their families? What does the budget or Bill C-66 hold in store for them? Just more hardship. As an indication of the degree of frustration associated with this situation, Tom Kent, president of the Cape Breton Development Corporation, failed in his efforts to assist the Canadian Motor Industries plant to continue operations on Cape Breton Island. Rather than work with Devco, the company decided to close. I am sure the budget and the attitude of this government toward business left a stronger impression in their minds regarding closure than anything Devco could offer in the way of help.

What is really alarming and is becoming more so with each passing day are the lay-offs at the Sydney Steel plant. Since March, 500 employees have been laid off. Sysco president Ernie Alderton announced a few days ago that another 300 employees would be laid off. This makes a total of approximately 800 employees thrown on the street. That is close to a quarter of the total work force, which is between 3,200 and 3,600 when the plant is running at full capacity. What does the minister or this government intend to do to assist these workers and their dependents? Obviously, the minister and the government will merely increase their problems with the additional ten cents tax on gasoline.

The sad fact of the matter is that there is no alternative employment available, and no guarantee that there will not be more lay-offs rather than a revival of development. Let the Minister of Finance show me how anything in this budget or this resolution will help those who have been laid off, or how we can anticipate anything from this tax except bad news for those who are working and for those laid off who hope and pray they will be recalled. What the people and the economy want is a policy directed at increasing employment. While we favour a two-price policy for oil, and while we know funds must be available in order to lower the price of the oil eastern Canada must import, we do not believe the funds should be raised on the backs of the working men and women, the poor and the elderly, as will be the case in respect of this tax.

All Canadians, regardless of where they live, should shoulder this burden collectively. No group or class in this nation should be singled out to carry the burden for others. If we lack energy—certainly this government lacks energy except in creating problems for the workingman—why are we not moving at greater speed to utilize the tremendous potential of the coalfields of Cape Breton? While we are working on a replacement for the Prince mine at Sydney Mines, and now that we have the Lingan mine in Glace Bay operational, there is no reason we could not move forward with two additional mines opening on Cape Breton Island. We need the coal and we need the jobs. We have the work force—and it is a good work force—to do the job. All there has to be is direction from the government to get the show on the road.

● (1520)

While we cry about the cost of energy produced from oil, we will not take action to provide alternatives that are available and could be utilized immediately. What about the new steel complex for Cape Breton Island that we have heard so much about? My Liberal opponent in the last campaign went from one end of the riding to the other promising that it was coming and that it would be located in Gabarus, a few miles from Sydney. After listening to him you would have thought it would be there almost the next day. What a transformation! Now we hear the Minister of Regional Economic Expansion (Mr. Jamieson) saying it might be located in Baie Comeau, Gros Cacouna, or it could be somewhere else. He is not saying it will be on the east coast. This simply means that my Liberal opponent deceived the people of Cape Breton-The Sydneys. Here we are, a year later, and it is just another broken promise by the Liberal government. This complex could be of great benefit to the economy of the island, without question, but the Liberal administration takes no action.

I remember a little over a year ago when I was accused of being against the proposed new steel plant in Cape Breton because I said the study should only take in the area where the steel had been produced since the early part of the century. Instead of that, they wanted to take in the whole eastern coast before deciding where the complex would be. With every passing day it seems to be farther and farther away from where it should be and where it is most needed. The longer we wait to take advantage of our alternatives, the more expensive it will be to undertake the construction, because of inflation and because the Minister of Finance is contributing to inflation with this budget. Unfortunately, he is deserted by his cabinet colleagues who will not defend him or his policies. It seems most unfortunate because, as I said at the beginning of my remarks, he is a pretty fine guy and at least they should make a pretence of defending him.

Mr. Stanfield: It is difficult to defend the indefensible.

Mr. Muir: Still, he is a good tennis player, a fine gentleman and a good friend to have, and it is unfortunate that he has to produce this type of budget which I do not think is of his own doing; I think he was forced to bring it before the people by a higher power—and I do not mean a higher power from the heavens.

Mr. Turner (Ottawa-Carleton): Wally Baker said God was on your side.

Mr. Muir: Members of the Liberal Party have said they have the right of God or the right of Allah to govern, and that only they can govern, no one else.

In the coal mines of Cape Breton we once had 6,000 employed; now the number is down to 3,000. There is no reason why we cannot look forward to a work force numbering an additional 1,000 coal miners, in view of the present cost of competitive energy alternatives. It has been my contention for some years that the rail operation at Sydney and between Sydney and Truro requires drastic overhaul. Yesterday the hon. member for Nickel Belt (Mr. Rodriguez) spoke—I enjoyed listening to him, although I disagree with some of the things he said—of the great speech which the Prime Minister (Mr. Trudeau) made in Cornwall and his speech in Toronto regarding rapid urban transportation and assistance for transportation. These are just Liberal promises; nothing has come of them.

This assistance could be used, for instance, in Cape Breton where the railway tracks should be relocated outside the city of Sydney. In that way the present bottlenecks within the city would be eliminated and there would be a tremendous saving in the long run for the Canadian nation. Work of this kind has been done here in Ottawa and it could be done in Sydney if the government wanted to get the job done.

Mr. Turner (Ottawa-Carleton): We have a different kind of member of parliament.

Mr. Muir: It seems strange that almost anything can be done in Hull, Ottawa, Toronto or Montreal, but when it comes to the Atlantic provinces, northern Ontario and a number of other places, the money cannot be found. Money is always found for the central strip in our nation. Action of the kind I mentioned by the CNR would provide much needed employment immediately. It would provide work for the steel plants and it would result in further modernization of the Sydney area, which would bring long-term benefits both from the environmental and the beautification point of view.

The minister indicated that he hopes the ten cents per gallon tax will result in the conservation of our oil supplies. For most Canadians it will mean nothing more than an additional expense, because most people in this nation consider the car a necessity and they will continue to drive their cars. This will cost them more because of the increase in the price of fuel. Since many people live some distance from their place of employment, it will cost them more to get to and from work. As a result, these workers will say. "We must have more money to pay for the higher cost of gas. To get the money we must negotiate, and if we do not get it we will go on strike". Indeed, this must be done so often under this government.

If the minister wishes to help conserve oil, why does he not urge the government to undertake the reconstruction of the CN roadbed between Sydney and Truro? I am sure the minister is familiar with Truro. That is the place to which he went at one time to make his famous speech damning the proposals of the Leader of the Opposition (Mr. Stanfield). On the road to Damascus he became converted and later implemented everything that the Leader of the Opposition had proposed. He stole the ideas of the Leader of the Opposition. Now, however, he is forced to put in these crazy programs. As I said, he is getting orders from up high but no support from his colleagues. This is unfortunate. I feel really sorry for the minister. I think this is his last budget. In fact, it may be the last of many things for him.

An hon. Member: Let us hope so.

Mr. Muir: If we have more budgets like this we could not stand it. If the minister really wants to help conserve oil, why does he not recommend that the government undertake the reconstruction of the CN tracks between Sydney and Truro? The line between these two junctions is as twisted as the minds of those who produced this budget and this ten cent tax. Those who are forced to take the train between Sydney and Truro face a ride two hours longer than it should be. If the roadbed were reconstructed, straightened, and a double track put in—that is the important thing—it would have the effect of conserving oil because many more people would opt to travel by train. That would mean a real saving in oil and it would also provide work for the unemployed in construction, as well as work in the steel plant producing the required rails.

It is not long ago that my colleague in the adjoining riding made a tour of Africa. We had glowing press reports of the emerging African nations asking for new rails for their railways. It appeared that these orders might go to the Sydney Steel plant. But suddenly we had cutbacks, a softening of the steel market and layoffs. For some time, every summer we were able to put 100, 150 or 200 students to work at that steel plant to make a few dollars to enable them to go back to university. But not this year; they are not working and there have been all these lay-offs. If the minister really wants to conserve oil and to put people to work, those are a few ways to do so on Cape Breton Island, rather than imposing a discriminatory tax which will only lead to greater inflation, more unemployment and more labour strife in this nation.

● (1530)

With regard to labour strife, the minister goes to one part of the country and makes a statement about how bad labour is, what it should do and what it should not do. Then the Minister of Labour (Mr. Munro) says something else. Far too many people in this country—indeed, many of them supporters of this government—are all too willing to condemn the workers and the union movements and to blame them for everything from inflation to the weather. These people run around saying that the problems we face are the fault of labour because it is on strike. There are many people in my party who are great supporters of labour.

Mr. Symes: Oh, oh!

Mr. Muir: They have always been supporters of labour, and were so long before the hon. member who just opened his mouth either worked or knew what a labour union was. That poor, unfortunate individual has not even grown up yet; he has never been in a union. I would bet that he has never been on strike, has never been on picket duty and has never negotiated for or served in a union—yet he is the great expert! He does not know what it is all about. I am a former coal miner and active trade unionist.

My record can be checked at any time. I suggest that the hon. member should not wrap himself in a robe or purity, sanctity and holiness. His party claims to be the only party that can speak for the working man in this country. It claims to be the only party that worries about the working man. I get fed up with this phony drivel. They say that, being socialists, they are the only people who worry about the working man.

Does the minister not work when he is in his office? Sure he works. Doesn't the man who drives a taxi work? He works. What is a worker? Hon. members to my left say that they are the supporters of the workers and they are the only people who worry about the poor, the depressed, senior citizens, the disabled and the sick. They say that those damned Liberals, Tories and Socreds do not worry, that they are the only ones who do. It is so damned phony. As a man who formerly worked in the mines and who was active in unions, I know, as do many of the people in my party. There are farmers and fishermen in my party among hon. members opposite and in the Social Credit party; but these great intellectuals to my left have only worked as professors in universities. They think they know what it is to work. They worked for three hours a week and made a lot of money.

Mr. Speaker, I am sorry to have digressed. The workers to whom I was referring are earning a salary. One can be dressed up nicely and still work hard. Many times I have worked harder, with clean hands, at a desk, than I did in the coal mines. I used to shovel coal all day. I wonder what hon. members to my left define as a worker. In God's name, let us have no more of this silly drivel from people who claim a monopoly and say that they are the only people who can be responsible for those in need in this country. We in our party have ways of speaking on behalf of our constituents. I do not mind being criticized. Hon. members can criticize me as much as they wish, but I ask them not to insult the intelligence of the thousands of people in Cape Breton-The Sydneys who support me, and have done so for eight consecutive elections.

Some hon Members: Hear, hear!

Mr. Muir: I ask hon. members not to insult the members of the Longshoremen's Association at the docks, the United Steelworkers Union, the United Mineworkers, or the CB of RT. You name it, I have it. They know what they are doing. They do not have to be told by sanctimonious phonies that they are the only people who look after them. One reason for the number of strikes is that workers must make more demands to keep their real income up to the point where they can make ends meet. They do not go on strike because they want to, but because they are forced to by the ever continuing, ever increasing high rate of inflation in this country brought about as a result of inadequate government policies. All the bafflegab, doubletalk and gobbledygook by "Ten-cent John" and his cohorts will not make it otherwise. It is going to hurt and it will cause inflation and other problems. I want to thank the minister for staying in the House. He is a dear fried of mine and I hope I have not been too critical of him.

I understand that a few remarks I made last night may have upset someone. Last night I referred to the hon. member for Skeena (Mrs. Campagnolo) as an hon. lady. She is a delightful and beautiful lady; but she said that she was not a lady, but a member of parliament. I feel badly about this. The hon. member for Skeena really should know whether or not she is a lady, and I am not one to criticize. The hon. member took umbrage at being referred to as a lady. Before I resume my seat, I just want to say that in politics one should take everything seriously except oneself, and I commend that to the hon. member for Skeena.

[Mr. Muir.]

Some hon. Members: Hear, hear!

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, in rising to speak on this excise tax bill, Bill C-66, which came out of the very cruel budget presented on June 23, I would first like to commend the minister for taking the excise tax off wine which he put on just a few months earlier in his previous budget. At that time we in the opposition pleaded with him and tried to obtain help from the government side of the House, but none was forthcoming. We pleaded with the minister not to put this tax on, but he did anyway. I think it shows that we were correct because he removed it so shortly after imposing it. I think it shows that we almost had him taking it off at the time he brought in his last Excise Tax Act amendment, but he was just not going to give us too much at that time. He gave us a little bit on the boats, but he was not going to give us very much more. So it took only this long to have the tax removed from wine and wine products. I hope no harm has been done to the producers of grapes. A big crop is coming this year and I hope it can be taken off in time.

● (1540)

It is nice to see that the tax is being removed from insulation materials used in buildings. In the last excise tax bill it was reduced by half, and we have been pleading with the government to eliminate it entirely, It seems it is to be done a little bit at a time, but it is long overdue and the tax should be taken off all building materials. Perhaps the government is concerned that the bureaucracy which has been created to collect the tax would become redundant. I suspect that is one reason why it has not been removed entirely. By taking it away a little bit at a time the government can probably maintain that department, although to remove it entirely would make much more sense.

In the last speech I made on the excise tax a few months ago in this House, I said that it was a port way for governments to collect money. I repeat that today. In my opinion, if people have to be taxed at all, the fairest way to do it is through income tax. Excise taxes are very gimmicky; they are imposed here and there at the will of the government, often with no real purpose. More often than not, these taxes are imposed on those who are least able to afford them. It is not nearly as fair a way of taxing as income tax.

Provincial governments often have to resort to this type of tax because they do not have the same authority to collect income tax as the federal government Indeed, they have to make deals with the federal government about income tax. As the federal government has the right to impose income tax, I do not think they should be imposing

excise taxes as well, especially in cases like putting a ten cents per gallon tax on gasoline.

This tax is going to hit the workers and people on pensions as well as the younger generation. The Minister of Finance (Mr. Turner) said that certain categories of people and business would be exempt. This was an effort to soften the blow, to confuse the people—and they certainly are confused by that stipulation. Who is going to be exempted, and how are they going to get their money back? There is a lot of talk about rebates. The government House leader keeps saying that if we do not get this bill through, people will not get their rebates on gasoline. As soon as the government brought in the budget, the tax was imposed. Now they are trying to blackmail us to say nothing about it, not to let the people know what is going to happen to them. But within a year or two they will know all about this kind of tax.

Do the people who are going to be exempt know who they are? Do those who are going to get a rebate know who they are? When asked to elaborate on this, the Minister of Finance said that the Minister of National Revenue (Mr. Basford) is going to announce the categories that will be exempt. This should have been the first thing to happen, Mr. Speaker. It appears to me that imposing this tax in the first place, and then making refunds to certain people, is going to create an administrative nightmare.

As a farmer, I have had some experience in getting exemptions on gasoline tax at the provincial level. At one time we were required to fill out a form for rebate or exemption on that portion of the gasoline that was used in the farming operation. This has the effect of people putting in for exemptions that they should not have: it is a licence to steal. It would have been a tremendous cost to the farmer to keep accurate records of the amount of gas that should have been tax free. He would have had to put in gas pumps to measure it, so most of the time it was just done by guess or by golly. I realize that most farmers do their level best to keep their records straight; nevertheless, the opportunity is there and some people may try to get far more money rebated than they are entitled to for the gas they have actually used in their operations.

● (1550)

I am not sure who is going to be exempt, because that is not clear from this bill and the Minister of National Revenue has not made any statement on it. So we don't know who it is going to be. It appears that most people in business are going to get a rebate. They will buy gasoline at the pump, pay the full price and keep records to show exactly how much they bought. Some time or other they are supposed to make representations to the federal government for a rebate of the tax they paid. Just think of the cash flow which is going to be involved, and the amounts of money which will be paid as a rebate. Just stop and think of the bureaucratic organization this government will need to put in place if it is to police this tax properly. Let us hope that this is not the first step, or another step, toward a police state in Canada.

The Minister of Finance said the government is going to make $350 million in revenue from this tax. My guess is that if the government has to put in place the organization to police the tax properly, it will cost just about as much to collect the tax as the amount the tax will bring in. Think of all the costs, think of all the problems and troubles of individual people in Canada who will try to get a rebate on what they pay for their gas.

Are people who are working to be considered as businessmen? Are individual people to be considered as being in the realm of business? How about the loggers of my constituency of Okanagan Boundary? They have to go to work every day on an individual basis. There is no real way that a bus system can be put in place to carry them to work. Are they going to get a rebate, or are they to be considered as individuals and is this tax to be just part of the cost they must carry in order to get to their jobs?

If the logic of this tax is carried far enough, and if it is only going to apply to people who are not in business, or who are on vacation or driving their car for the fun of it, it means that everybody is going to be able to apply for a rebate. When you stop and think of it, you will realize that what I say about bureaucratic organization for policing and collecting this tax is very true. How about the miners? They cannot live at the mine site. In my riding the mine sites are back in the hills. They cannot live there; they have to drive to the mine. Are they to pay this tax to go to work, or will they be exempt as they should be, as any other business person is to be? Is the tax to be, as I say, imposed right on the backs of workers?

In my riding there is no transportation system, really, other than cars. It is not easy to put in place a bus system. My riding is not like a big city, although in the 100-mile extension up and down the beautiful Okanagan Lake and valley it is just like a city. But there is no way that they can put in a proper bus system to accommodate the people. So the car has to be used for transportation. At one time we used to have a rail system out of the valley, but that has been abandoned. A little while ago they even decided to take the railway station out of the junction at Kamloops. There is not even a railway station there any more for anyone who wants to catch the main line CNR or CPR train to eastern Canada. Our transportation systems do not exist; they are not in place; they are not what the minister visualized.

I do not think anyone really sat down and constructively thought about what this ten-cent a gallon tax would really mean for the ordinary Canadian people. No one thought about how they would administer the tax or if it would really work. I think it was a dream perpetrated on the Canadian people. I can tell you, I have never talked to anyone who likes it—except a few backbenchers on the government side.

Mr. Epp: And they want to withdraw it.

An hon. Member: No, we do not.

Mr. Epp: Come off it. You still want to withdraw it.

Mr. Whittaker: None of them get up to speak. A few make little asides here and there, but they are not getting up to speak and tell us what they think about the tax. That leads me to believe they like it. They think it is great just because the cabinet decided to impose it on the Canadian people. It is a very unfair tax. It is one of the most unfair and unrealistic taxes that could have been imposed on the

Canadian people. I do not believe it is going to generate the revenues for the government coffers that the government expects, because the government will have to put in place a very much greater bureaucracy. This money is just going to go through their hands, and we will find another budget being introduced and another great bureaucracy organized to try to collect this tax.

I think Canadian people are greatly concerned about the use of energy—about the use of gasoline, oil and natural gas. The Canadian people are beginning to understand that there has to be conservation in this field. I also think that there is great concern in Canada today over inflation. Even though the Minister of Finance told us that he was not going to do anything really drastic to try to control inflation because the Canadian people were not ready for anything drastic, I do not think he was right; I think the Canadian people are ready for action—but they want leadership. There has to be leadership from the Government of Canada before the people will accept that action; and they are not going to accept it piecemeal, not if it is imposed on one class of persons but not on another. If programs are brought in that are realistically oriented to control inflation, and if they are applied to all the people at the same time, I believe the people will accept them. They are certainly ready for that kind of thing.

Someone said the other night that the provincial government of Ontario had brought in a speed limit of 50 miles an hour. Look at what happened in the United States. You will find that the federal government there imposed the speed limit in all states. They imposed it equally across the United States and it was acceptable to the people. It should be done through strength, not piecemeal.

● (1600)

In British Columbia we have a 55 miles an hour speed limit which was imposed by the government of the province. It is working well. In order to conserve gasoline, these kinds of things must be done, through strength, by the federal government, not by gimmicks such as putting an excise tax on gasoline of ten cents a gallon. It is nonsensical. It will do nothing except cause hardship for the people. There will be great areas of dishonesty. It will not work without a policing system, which will be very costly.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the bill before the House to impose a tax of ten cents a gallon on gasoline is one that the people of Canada do not accept, judging by the mail that members of parliament are receiving and by the commentary in the press. I find it very interesting that not one Liberal member has risen to defend this ten-cent tax imposed by the Minister of Finance (Mr. Turner). These Liberal backbenchers who in the 1974 election campaigned as protectors of the consumer and friends of the working people, now—with their majority—support a Minister of Finance who has imposed one of the most regressive, discriminatory and unfair taxes experienced by Canadians in many years. These Liberal backbenchers who are obviously at a loss to rationalize and explain this tax have no option but to sit quietly or to heckle when opposition members bring out the inadequacies of this discriminatory tax.

[Mr. Whittaker.]

We listened to the arguments of the Minister of Finance as to why Canadians consumers who drive cars must pay an extra ten cents a gallon for gasoline. He gave two reasons. First, he says he needs more revenue to add to the oil compensation payments that are being made to eastern Canada as to a stopgap measure for lack of any national energy policy by this government. The other argument is conservation. The minister hopes this ten-cent a gallon tax will reduce gasoline consumption in this country. In the course of my speech I would like to show why neither of these arguments are valid. I would also like to state why I claim that this tax is regressive, discriminatory and unfair.

We call it a regressive tax because it hits everybody the same. It hits the low income worker equally with the high income worker. That is most unfair. If we are to have a tax system that takes into account the differences in income in this country, we must do it by means of a progressive income tax, not by direct excise or sales taxes such as we see in the measure before us. The majority of workers in this country are in the low and middle income group. This is the group that drives the most cars in this country. This massive population in our country will be paying this tax, although they cannot affort it.

This tax is discriminatory because it not only hits the low and moderate income group but it provides specific exemptions for certain groups of people who will not have to pay the tax. Those receiving exemptions are businessmen, doctors and other professionals who have to use their cars in the course of their work. I ask those Liberal who are so silent on the issue, do the workers not have to use their cars to get to work? I come from northern Ontario where there are many small, scattered communities outside the larger centres where the major employer is located, such as the mine, the steel company or whatever. The employees do not have the option of public transit. They cannot travel on an efficient bus or subway system. They cannot leave their cars at home and take these public transit mechanisms to work; they must travel by car.

Many of these workers must make round trips of 100 miles a day. However, they cannot deduct the cost of gasoline in their daily course of work in the same way as a doctor, a salesman or others who use a car. That is why we say this tax is discriminatory. It is unfair to working people who have to use the car. Because there is no option for public transit, this tax should be withdrawn.

During the 1974 election campaign members of this government went across the country promising new initiatives for public transit so that people would not have to depend on the car and the car would not continue to congest our cities. In June, 1974, the Prime Minister (Mr. Trudeau) promised that $270 million would be made available to assist public transit. In the same month he promised there would be a new Crown corporation for railway passenger service and that they would set up a national urban transportation development corporation to take bold initiatives in order to improve public transit in this country.

What has happened to those promises? They are not worth the paper on which they are written. This government now has a majority; it feels secure; it feels it does not have to live up to its election promises. Instead of provid-

ing measures to aid the beleaguered commuter in our society, it turns around and slaps a ten-cent a gallon tax on everyone who has to drive a car or a truck either for work of for pleasure. This is a government that is purely cynical when it makes promises. I hope the Canadian electorate remember those promises when they go to the polls in 1978.

Let us look at the provincial governments. Of course, I am most familiar with the government of Ontario. That government is not much better. When we look at their attempts to assist in developing public transit in this country, we see that their policy is also a mess. The government of Ontario—a Conservative government—is content to spend millions of dollars on a so-called magnetic levitation, modern transportation system experimental study in Toronto. The project has fallen through. After spending millions of dollars it proved to be impractical. After years of delay there are no new public transit options open for commuters in the province of Ontario. They have to rely on the car. They, of course, will be hit by the gasoline tax both in the province and the tax this federal government has imposed. It is interesting to note that the Ontario Motor League conducted a study in 1974 which showed that the Ontario motorist is paying 120 per cent of the total cost of highways in Ontario.

● (1610)

In this bill the Liberal government is imposing an additional tax on the Ontario motorist of ten cents a gallon on gasoline consumed. This hits everyone in the province, but it hits the people in northern Ontario more than those in southern Ontario since we in the north have to pay higher gasoline prices. The price of a gallon of regular gasoline in northern Ontario ranges from 75 cents to 85 cents a gallon so, as I say, we are hit even worse by this kind of measure.

When the ten cents a gallon federal tax is added to the 19 cents a gallon provincial tax, it represents a really unjustifiable burden on the drivers of automobiles. I should like to give the House an example, Mr. Speaker, of what it will cost to drive a car in Ontario. Before the imposition of this tax as announced in the finance minister's budget of June 23, the Ontario motorist had to pay a provincial gasoline tax of 19 cents a gallon. If a motorist drives a car 10,000 miles a year and gets 20 miles per gallon, he consumes, on a yearly average, 500 gallons of gasoline. Before the budget this would have cost him $95 a year in provincial gasoline tax. When we add the ten cents a gallon federal tax to that, he pays $145 a year—an increase of 53 per cent.

If that is not discrimination, Mr. Speaker, if it is not fighting the attempts of the ordinary people to jump ahead of the inflation rate in this country, then I do not know what is. Take as another example the motorist with a large family who has to drive around in a station wagon. Say he drives 15,000 miles a year and gets only 15 miles per gallon. Before the budget he had to pay $190 provincial gasoline taxes in the province of Ontario; he is now going to pay $290 a year—an increase of $100.

What does the government mean when it says it is seriously trying to combat inflation? Can any Liberal backbencher, or the minister himself explain to me how this measure, which hits the bulk of the consumers of this country who are in the low and middle income brackets, in any significant way fights inflation and reduces the problems of the ordinary working people in meeting the rising cost of living? The case just cannot be made and the Liberals know it. They hope that this House will adjourn soon so they will not have to stand up to the kind of criticism that we are putting forward on behalf of the Canadian people.

What are the other lacklustre arguments that the Liberals make in order to justify this increase in gasoline tax? They tell us that we should be grateful, because in Europe people are paying $1 a gallon or $1.25 a gallon. I say, what a ridiculous comparison. How can you compare countries in Europe which do not have any indigenous oil supplies with a country like Canada, one of the most oil-rich countries in the world, sitting on a reserve called the Athabasca tar sands that contains more oil than all the oil in the Middle East? To tell Canadians that they should be content to pay 70 cents or 80 cents a gallon is ludicrous.

The reason the government is saying this is the lack of an energy policy, which has enabled the multinational oil companies which control 90 per cent of the oil industry of this country to jack Canadian prices up to world prices, despite the fact that we are one of the most oil-rich countries of the world. Years of mismanagement by the Liberal government have now forced Canadian consumers to pay one of the highest prices for oil and gasoline in North America. This is a nonsense kind of comparison that is not worthy of further counter-argument.

The minister has put forward another argument. He tells us that we are consuming too much energy in this country, that our oil supplies are running tight. Of course they are running tight, because the government allows the multinational oil companies to export half of our daily production of oil, and has done for the past few years. We are now running short, so the minister says we must conserve our energy supplies. What kind of logic is this? A few years ago, specifically in early 1973, oil was selling in this country for $2.90 a gallon. Today the price is $6.50 a gallon, and by August 15 it will cost $8 a gallon. The price has escalated tremendously. Has there been a reduction in oil consumption in this country? Not in the least. Demand has risen yearly despite the fact that the price of oil has gone up.

The fact of the matter is that, given no options, Canadians still have to consume energy. They still have to heat their homes in the wintertime by oil or natural gas, despite the fact that oil prices and gas prices will go up. If they have no option but to drive their cars to work, then they have to pay higher prices for gasoline. The argument that an extra ten cents a gallon will somehow reduce gasoline consumption in this country is totally false. The minister should not try to fudge the issue by bringing forth the argument of conservation so as to justify this horrendous ten cents a gallon tax.

I now come to the real reason for this increase, Mr. Speaker, which is that the Minister of Finance is desperately searching for extra revenue. He needs money to compensate eastern Canada for the higher price of world oil which we are importing because Canada does not have a pipeline from western Canada which would bring $6.50 a barrel oil to the maritimes and Quebec. As we have found

ourselves running short of oil, we have reduced our oil exports. This means that the revenue from the export tax is reduced, and therefore the minister wants to find additional funds to keep up the compensation payments. The compensation payments, of course, are being made to these very multinational oil companies that got us into the shortage mess and the cost escalation mess in the first place.

Is that the only option the minister had? Why does he sock it to the consumers so he can make up the compensation payments? In view of the years of profit-taking by the multinational oil companies, it would seem more logical to me to increase their federal income tax than to make the ordinary consumer bear the burden, particularly when the oil policy of this government and the oil companies acting in collusion got us into this predicament in the fist place.

There are ways of raising revenue other than by imposing a discriminatory and unfair ten cents a gallon tax on the consumers of gasoline in Canada. For example, the minister could begin to revise the tax system so as to take away some of the concessions that the minister has been giving multinational oil companies in his budgets. Why does he tax the ordinary consumer when the ordinary consumer, the working person, is already falling behind in terms of real income? Last year we experienced an inflation rate of some 12 per cent. This had led to a great deal of labour-management unrest in this country because workers who have seen their real purchasing power decreased by 12 per cent necessarily have to try to catch up. Just as they are in the process of negotiating, and sometimes having to go on strike, the minister again takes away their real income by imposing this tax.

● (1620)

For example, let us see what happened to wage earners last year because of runaway inflation that the government was unable to control. If you were making an hourly wage, in 1974, of $3.50 an hour, last year because of inflation you lost $499 in real money. Your income went down by almost $500 because of inflation. If you were making $5.50 an hour last year, you lost $783 because of inflation. Then the minister comes along with this extra, inflationary tax on gasoline.

This tax plus the increase in the price of a barrel of crude oil by $1.50 a barrel to take effect on August 15, will add an extra 2 per cent to the inflation rate. Is it any wonder that we are likely to be faced with a massive number of strikes as workers realize they are falling behind because the government has been unable to cope with inflation or bring in a tax system which is fair to the mass of the working people? Yet as the workers continued to fall behind in terms of real income, the Minister of Finance wanted to bring in wage controls. How ironic that the Liberal Party, which in the election of 1974 fought so strongly against the suggestion by the Conservative Party that wage and price controls be brought in, should through the Minister of Finance seriously consider imposing wage controls on the workers.

The minister still would like to do it, but he knows the workers who have seen their incomes eroded in the way I have described will not stand for that kind of policy. But the fact that he was thinking about it seriously indicates that there is not much difference between the Liberal and the Conservative parties. They are still the same old gang, and when they want to find a scapegoat it is the working person they find. In 1973-74 they let the companies enjoy the largest profit increases they have ever made, and now that the companies have been able to make a pile of dough they are going to sock it to the working person. They wanted to do it by means of a wage control policy, but this was not accepted so Turner turns around and comes up with this kind of discriminatory tax.

We in northern Ontario, as I mentioned, are hit hardest by this kind of tax because so many workers have to drive great distances to get to work, because we have to pay higher prices, to begin with, for gasoline and because working people from my part of the country do not take their vacations in the same way as the minister and the executives with whom he associates. They do not take off by plane when they go on vacation; they take their families in the car, towing a tent trailer or a camper behind it, and they visit our provincial and national parks, travelling across the country. This tax, of course, is going to take away that hope of pleasure from the bulk of our working people because they just will not be able to afford vacations by automobile.

This tax will have a serious and detrimental effect on the tourist industry in northern Ontario. Tourism is perhaps the second most important industry. Automobile drivers are not going to travel as far, or perhaps at all. I have talked to some constituents who have had to scale down their travel plans a great deal. Of course, it will mean a reduction in tourism and vacationing in northern Ontario and this will have a spin-off effect on restaurants, motels and amusement enterprises in our part of the country. Therefore, we are going to see less business in tourism, we are going to see more lay-offs and higher unemployment. We know that this tax, which is supposed to bring higher revenues to the government, is discriminating against the working people.

I have received a number of letters from constituents who have expressed very eloquently their frustration and anger at this unjust gasoline tax. I should like to read into the record a letter I received from Mrs. Montone, of Elliot Lake, Ontario, which is near my riding. It is, in fact, in the riding of the hon. member for Algoma (Mr. Foster), a Liberal member. I would very much like to see how he replies to her letter: She writes:

Dear Mr. Foster:

I must pick up groceries to feed my growing family—pleasure driving?

My child has had an accident and I must rush him to the hospital emergency department—pleasure driving?

Time for the children's orthodontic appointment (200 miles away return)—pleasure driving?

My husband has been referred to a specialist and we must travel to Toronto—pleasure driving?

A death in the family in Ottawa—I must leave immediately to make funeral arrangements—pleasure driving?

The above are only a few items that we in the town of Elliot Lake find necessary and mandatory in the use of a motor vehicle. There are no deliveries made in Elliot Lake, as well as no means of public transportation. With only one taxi company who has approximately two to four cars and these do not run 24 hours a day. The miner, as you are aware, must travel at least 20 miles return to work (the companies do not supply transportation) and they have been using "car pools" for

many years. Many northern constituents live in rural areas and are forced to travel many more miles to obtain the necessities of life. Those who sit in Canada's capital do not seem to understand the problems of living in the north and the long distances one must travel to get from A to B, and yet they are continually trying to persuade southerners to relocate in the north.

The letter continues:

I fail to see how Mr. Turner's budget will accomplish his goals on conservation, unemployment and inflation. We in the north, while paying the highest prices for fuel oil to heat our homes, are already faced with longer and more severe winters than our city dwellers in southern Ontario. Therefore, I cannot see any incentive to those on unemployment and welfare to find work and join the working economy. When they take into consideration higher transportation costs to get to and from work, higher UIC premiums, and in the near future higher OHIP premiums, the incentive to work is lost!

Persons on fixed incomes (pensioners) are going to be particularly hard hit since, for the past few years, they have been struggling to literally exist in today's economy. It is rhetoric that government chooses to thank these people for contributing for years to Canada's GNP as "laying their lives on the line for their country" in the past wars.

Those with higher incomes will surely feel the "pinch", but they already have the moneys to cope with the new budget amendments.

My purpose in writing is that I would like to find out what Mr. Turner's interpretation of "pleasure driving" is. I fail to agree that driving to work (because of no public transportation) should be considered "pleasure" or has Mr. Turner ever jogged 20 miles to work and back in 30 degrees below zero (fahrenheit) weather? He should try it some time.

That is a letter from a person in Elliot Lake. It represents the feelings of many people in northern Ontario about this ten-cent a gasoline tax. I should like, now, to read from another letter which also illustrates the hardhip this tax will put on people. This letter is from Laureen Shaw, a resident of my constituency of Sault Ste. Marie:

● (1630)

And then I think of all the disabled people in Canada who rely on their cars to get them to and from work and just to get them out of the house. How can they afford 80 cents and up for gas? Especially if they are on a disability pension. Its hard enough to live on a pension as it is. So thanks to this new brilliant budget, over half of the disabled people in Canada are going to be sitting at home in front of their window watching the world go by. They can't even afford to go out for a ride. I know, because I'm disabled and this budget has literally changed my life. I can no longer afford a car, and giving up that bit of independency is hard to do.

And so, Mr. Symes, I extend my congratulations to the government for this fantastic budget. Perhaps this will at least get some of the apathetic people of Canada to stand up and be counted. Something beneficial has to come out of this.

To that I say amen. This hypocritical government that poses as the champion of the working people, the disabled and the poor of this country, really is hitting them most unfairly by this kind of tax. Not one Liberal member has risen to oppose or even to defend this tax. There are other ways money might be raised rather than by the imposition of this excise tax. If the government were serious about conservation, other measures could be taken, such as the federal government pressing the provinces to reduce the speed limit to 55 miles an hour as has been done in the province of British Columbia.

The government could also put pressure on the auto industry to improve their automobile engines in order to bring about greater fuel economy. It could fulfil its election promise by providing better public transit in the cities and towns of our country. If this government were serious about conservation, it could implement a national energy policy that would benefit Canadians in terms of supply and price, rather than leave us to the mercy of the pricing system of the multinational oil companies. If this government were serious about raising revenue in a non-discriminatory way, it would use the income tax system to gain extra revenue by taxing the corporations as they should have been taxed long ago, and by taxing other Canadians so that the gap would be lessened between the rich and the poor.

In this way, the government could help the people on low income and compensate them for the very heavy inflation from which this country is suffering. These measures would be much more realistic than this excise tax. The people of Canada are enraged and they are speaking up. The members of this party are prepared to sit here until the end of the month or as long as it takes to pound some sense into some of the Liberal backbenchers so they will stand up and put pressure on the Minister of Finance to rescind this most discriminatory and unfair tax.

Mr. Alan Martin (Scarborough West): Mr. Speaker, I really had not intended to speak on this particular bill.

An hon. Member: Then sit down.

Mr. Martin: I appreciate the acknowledgement from the other side when I rise to speak: it is very encouraging. I rise in part, however to respond to the challenge that has been thrown out by the hon. member for Sault Ste. Marie (Mr. Symes) and members of the official opposition. They have continually referred to the lack of activity on the part of Liberal backbenchers to get up to speak. If hon. members opposite are not aware of the 100 per cent support that exists among members of this party for the budget and the policies introduced by the Minister of Finance (Mr. Turner), they should be aware of it very soon. I wish to refer also to the comments of the hon. member for Grenville-Carleton (Mr. Baker) when he was waxing particularly eloquent.

I find it rather strange that these two members should be bedfellows in putting forward exactly the same viewpoint, but I suppose this is understandable when one realizes that they accept their responsibility simply to oppose anything put forward by this government, without carefully considering the measures and what they are intended to accomplish.

I think we should remember that the only reason we are looking at a potential ten-cent tax on gasoline today is a policy introduced by this government and supported by all parties on the other side of the House. I refer to the policy to create one-price gasoline for the whole of Canada, subject only to differences in transportation costs.

The cost of maintaining this particular system which, I reiterate, the hon. member for Sault Ste. Marie, the hon. member for Grenville-Carleton and the parties they represent so solemnly supported at the time, was to be met by a tax imposed on exports of Canadian crude oil from western Canada. We all know that these exports are now diminishing, for two main reasons. The first is that our own supplies of crude oil are not as great as was anticipated by the National Energy Board two years ago; in fact, they are much less. Second, we know that the United

States economy is in some difficulty. The United States, therefore, is not taking up the imports at its end to the extent it is entitled to do so at this point. Therefore, the revenue from this special tax has diminished at a very fast rate.

I think hon. members opposite would expect that the money for any subsidy program would have to be raised through revenue in one form or another. The hon. member for Sault Ste. Marie and his party do not ever believe it is necessary to raise revenue to meet expenditures. However, if there is to be a one-price system in respect of oil across this country, revenue indeed will have to be raised somewhere in order that this subsidy system will work. The opposition parties have put forward their ideas. Now I am responding to their challenge that Liberal backbenchers stand up and support the tax.

If revenue is to be raised to pay for this subsidy, where should it come from? I hear a comment from the other side that it should come from general revenue. I would ask these people to define where this general revenue should come from. They now define it as being corporate income tax. I think it has been generally accepted that if this revenue is not to come in the form of a special excise tax, it will have to come from some source, probably in the form of additional income taxes, and I should like to remind the hon. member for Sault Ste. Marie—who is very worried about the middle income taxpayers—that any increase in income tax substantial enough to meet this revenue would hit hardest the middle income tax group.

Mr. Rodriguez: What is this excise tax doing?

Mr. Martin: The battle continues. I think the choices before the government were clear. It could either raise this revenue from additional income taxes—which, I repeat, would hit the middle income taxpayers hardest—or it could endeavour to raise the money from those most directly involved in the consumption of the product. The decision to impose the tax on gasoline was made for this reason, so at least some discretion was left to the individual user as to whether or not he would indeed pay the tax.

● (1640)

Mr. Rodriguez: Who is exempted?

Mr. Martin: The point has been made that a great many rural people must use their cars to get to work. That is very true. But there are also a great many Canadians in urban areas and elsewhere who are completely dependent on their automobiles to get to work. In fact, in many cases they are not earning enough money to run an automobile. In these cases they are completely dependent upon public transportation systems. These people will not be required to pay any part of this additional tax. If, on the other hand, the tax had been imposed at the income level, they would be paying their share just the same as people who are using the gasoline. So the decision was made to impose the tax on those who are directly consuming the product.

The shallowness of some of the points put forward by the hon. member for Sault Ste. Marie surprised me somewhat, because with his background and his knowledge of what lies behind this tax he should have known better. He should have known that $350 million to $400 million must be raised from some source, otherwise people in Ottawa, Cornwall, and east of the Ottawa Valley will be faced with paying the world price for crude oil, which we know now costs approximately $12 a barrel. This could result in gasoline prices at the pump moving up to the world level of $1.80 or $2 per gallon.

An example was given by the hon. member for Sault Ste. Marie of the effect of this tax. I believe he made a calculation and told us that the tax would amount to $50 a year. This works out to approximately 15 cents a day. No tax is ever popular. There will never be a tax that is popular. So you will always have letters and expressions of unhappiness when a tax is imposed. The question is whether 15 cents a day is unreasonable from the point of view of the individual who is driving his car to and from work. I ask the hon. member to consider this point. Personally, I do not think it is unreasonable and it is a much more equitable way, not regressive, in which to raise this kind of revenue which is for a specific purpose, namely, to pay for the subsidy that is involved in keeping oil and petroleum prices at one level across the country.

Other points were made by the hon. member on which I would like to comment, but I wanted to speak in particular at this time in defence of the ten cents tax and to assure hon. members that the imposition of the tax has the complete support of all hon. members on this side, backbenchers and others.

Some hon. Members: Hear, hear!

Mr. J. R. Ellis (Hastings): Mr. Speaker, I am delighted to speak on this amendment, particularly after we have finally flushed one of the government backbenchers out of the woodwork. The hon. member for Scarborough West (Mr. Martin) pointed out that all hon. members opposite support this tax. I wonder if they are all so sure that all their constituents support it. I represent the riding of Hastings and I try at all times to represent the views of my constituents. I am sure that I do not always do so, especially on such emotional issues as abortion, capital punishment or bilingualism. I am sure that from time to time I differ in my views from some of my constituents. However, on this issue I know that I represent a vast majority of the residents of Hastings riding.

Despite what the hon. member for Scarborough West says, I for one—and I know I speak for some of my colleagues at least—am not here to voice opposition to every issue that comes up. We are quite prepared to support the government when and if the government merits our support. But with the record of legislation that we have seen recently, it is very hard to support this government, especially on the poor legislation that has been put before us, from this rip-off of the average Canadian to the outright fraud in the Olympic coin legislation. I find I have to warn some of the coin collectors in my riding that they are faced with the possibility of getting coins that are only half the value of others, yet they will have to pay the same price for them.

How do you support this government when it takes upon itself the spending of money in ever increasing amounts? The other day the Minister of Finance (Mr. Turner) said that he does not decry the value of $1 million—he was not quite as blunt as one of his predeces-

sors—but he pointed out that $1 million is not that important in this context. I tell the House that $1 million to the residents of Hastings county is a good deal of money. As I say, I know I represent all the people of Hastings when I spend whatever time I can trying to convince the government that this ten cents tax is iniquitous, demoralizing, disgraceful and shameless. People in all walks of life, particularly working people, find it extremely difficult to pay this extra ten cents tax.

The county of Hastings is a large county, although not as large as that of my colleague and neighbour, the hon. member for Parry Sound-Muskoka (Mr. Darling). It is a long, narrow riding, rouhgly 100 miles from north to south and it is about 30 miles wide. The county seat is in Belleville. Over the years during which I have been involved in municipal politics and public life in the area, we have tried to encourage north-south commerce in the county. As I said, the only major city is Belleville, and there is also the small city of Trenton. The rest are all villages.

In the north end of my riding we have timber and minerals. Timber, of course, is down in production now. The Domtar plant north of Bancroft has either not been running or running on short shifts. Fortunately, the situation with minerals is good. The Madawaska Uranium Mine is getting ready to commence its operations, and the Marmoraton Mine in Marmora has a reprieve of four or five years of operation. Commerce and industry are largely in the south, in the area around Belleville. The supplies travel from south to north, and the raw materials from north to south. However, people drive in between.

If you think, for example, of people in Deloro, Malone or Millbridge who have to drive to Belleville because the industry in which they worked was closed, you will realize that these people are now faced with the necessity of driving 35 or 40 miles each way. I know they use car pools and try to save as much as they can in the cost of transportation, but necessarily it will cost them a great deal of money. That is just one example. We also have people in Belleville who used to work in the Farraday and Grey Hawk and Dyno mines in Bancroft and who are now looking forward to working in the Madawaska mine.

● (1650)

There are people in Belleville and district who travel as far as Oshawa to go to work. Because of lack of protection by this government, the Ideal Vendors plant is closing in the Deseronto area. These people will have to travel extra mileage in order to get to work. We cannot blame them for that; it is not their fault that they have to travel this way. But they are being taxed because this is their way of life. There are no trains or buses travelling north and south in Hastings county. There is no means of public transportation. People must use their own transportation, and when the time comes for negotiations with the industries this year and next year it will not be unreasonable that the men and women who work in the industries will want a wage increase to cover this tax. This tax is fueling another round of inflation and is escalating costs, not only in the consumer price index but also in the cost of labour and other areas.

The Highlands of Hastings is one of the more famous tourist areas in my part of Ontario, with all due respect to the hon. member for Parry Sound-Muskoka. A tremendous number of tourists come through our area. These include many Canadians and a great number of Americans on their way to the myriad lakes which are part of Hastings county, or the gateway to Algonquin park. This tax is designed to hurt our tourist operation. It can do nothing else.

In addition to people writing to me—and we have heard other hon. members quote from letters—I have already receive resolutions from the municipalities in the area. The municipalities, as commercial enterprises, are exempt in their dealings, but the municipal councils feel very strongly. Already the village of Madoc is on record, dealing with the proposed increase effective in July, as saying that it is excessive and not justified. They sent notice of their opposition to the county of Hastings, where I know some 30 other municipalities will agree. Very shortly I will have a flood of letters from municipalities in the county asking that this tax be removed.

The ten-cent tax is quite unnecessary. The hon. member for Scarborough West said that it must come out of the cost of gasoline. I do not think it need come out of the cost of gasoline for once, and I intend tonight to look to see if there is a second moon in the sky. I agree with my colleagues to the left both physically as well as physiologically.

An hon. Member: Philosophically.

Mr. Ellis: Yes, philosophically.

An hon. Member: Probably physiologically as well.

Mr. Ellis: Probably.

Mr. Epp: They are left in every way—left out, in fact.

Mr. Ellis: The approximately $500 million which this tax will return to the federal coffers will be used for nothing else but to fuel federal government spending. It could just as easily come out of the general revenue of the government by putting into effect some savings. I just do not buy the estimates of the Minister of Finance.

Mr. Martin: Where?

Mr. Ellis: The hon. member for Scarborough West asks where. Let us consider some of these. The cutbacks promised by the Minister of Finance are phony. Two of these cuts, Petro-Can and the Federal Mortgage Exchange Corporation, do not even exist at the moment. Petro-Can, as we all know, was created here just a short while ago, and the Federal Mortgage Exchange Corporation was created 18 months ago. Neither has anything in the estimates now, yet the minister says he will cut them back. The minister mentioned that there were two other agencies. One was the Federal Business Development Bank, which is really still the IDB, and the other was the Farm Credit Corporation. Both of these were conceived to help small businessmen and farmers. It seems to me that those are poor choices in which to make cuts. If we want to cut back, how about cutting back Information Canada? Let us throw the

whole thing down the drain. There we could save quite a few million dollars.

Mr. Nystrom: And the Senate.

Mr. Ellis: I have risen a number of times in this House to speak about the extravagant spending of the Department of Public Works, another department which spends over half a billion dollars per year. I can assure hon. members that there would be not much trouble taking quite a few million dollars out of that budget. The cuts of the minister were phony from the beginning. They were taken from new estimates. Going back to Public Works, the example with which I am most familiar, in committee we did not have enough time to consider its estimates. There were two very short sessions and there was absolutely inadequate time, but in the few minutes we did have I can assure hon. members that we found there were funds which could be cut back.

The budget promised restraint, but did absolutely nothing. I have the feeling that if there was an increase required in the per barrel cost of oil from $6.50 to $8, which would have put the price up by five or six cents, my neighbours in Ontario may not have objected to that. They understand the problems which exist.

Mr. Speaker, I see that you are ready to rise and it might be a good time for me to call it five o'clock. I will resume my remarks at eight o'clock this evening.

The Acting Speaker (Mr. Penner): I thank the hon. member for seeing the clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Prince George-Peace River (Mr. Oberle)—Government Administration—Alleged leak of cabinet document—Government action; the hon. member for New Westminster (Mr. Leggatt)—Administration of Justice—Suggested representations to Quebec minister of justice concerning treatment of Dr. Morgentaler; the hon. member for Central Nova (Mr. MacKay)—Royal Canadian Mounted Police—Suggested reference of status of Securex and discharge of officers Brunet and McCleery to Judge Marin's commission.

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

[Mr. Ellis.]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Penner): Shall motion No. 30, standing in the name of the hon. member for Esquimalt-Saanich (Mr. Munro), stand at the request of the government?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): Motion stands. Shall motion No. 36, standing in the name of the hon. member for Vegreville (Mr. Mazankowski), stand at the request of the government?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): Motion stands. Shall motion No. 34, standing in the name of the hon. member for Vegreville (Mr. Mazankowski), stand at the request of the government?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): Motion stands. Shall motion No. 37, standing in the name of the hon. member for Edmonton Centre (Mr. Paproski), stand at the request of the government?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): Motion stands.

Mr. Campbell: Mr. Speaker, on a point of order, I would ask for the unanimous consent of the House to proceed now with private Bill C-1001, standing in my name, before proceedings to consider the notice of motion for the production of papers standing in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent).

The Acting Speaker (Mr. Penner): Does the hon. member have the unanimous consent of the House?

Some hon. Members: Agreed.

PRIVATE BILLS

[*English*]

QUEBEC CIVIL CODE

MARRIAGE LAW EXEMPTION—RICHARD FRITZ AND MARIANNE STRASS

Mr. John Campbell (LaSalle-Émard-Côte Saint-Paul) moved that Bill C-1001, to provide an exception from the general law relating to marriage in the case of Richard Fritz and Marianne Strass, as reported (without amendment) from the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Motion agreed to.

Mr. Campbell moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

REQUEST FOR CORRESPONDENCE BETWEEN GOVERNMENT AND UNITED AIRCRAFT AND CONTRACTS RELATING TO FEDERAL GRANTS

The House resumed from Thursday, May 1, consideration of the motion of Mr. Broadbent:

That an order of the House do issue for copies of all correspondence between United Aircraft and the government over the past year and copies of contracts relating to federal grants accorded to United Aircraft over the past five years.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, after consultation with parties represented in the House, it was agreed that the hon. member for Halton (Mr. Philbrook) would speak on motion No. 17 on behalf of the government and that the mover, the hon. member for Oshawa-Whitby (Mr. Broadbent) would also speak on it, and then the Chair could put the question to the House.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is an arrangement to which we have agreed so that following these two speakers, unless the motion carries on a voice vote, there would be a recorded vote.

Mr. F. A. Philbrook (Halton): Mr. Speaker, this debate, as you know, involves a private member's motion for the production of papers, specifcally for correspondence between the government and United Aircraft—now Pratt & Whitney of Canada, Ltd.—and contracts relating to federal grants.

The motion was already debated on May 1, 1975. I congratulate those who participated at that time, the hon. member for Nipissing (Mr. Blais), the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Laurier (Mr. Leblanc), and the hon. member for Hamilton Mountain (Mr. McFarlane).

I especially congratulate the mover of the motion, the distinguished member for Oshawa-Whitby (Mr. Broadbent) and new leader of the New Democratic Party. He has again illustrated his concern and that of his party, indeed the concern of all of us, for the very important issues involved. Those issues are federal funding to private corporations, the rights of Canadian workers re settlements and working conditions, and standards for good corporate citizenship. Such issues are certainly important to me, both because my riding of Halton is highly industrialized and because I have personally had the privilege of serving many years in industry at all levels of responsibility.

As a labourer, I certainly became aware of the worker's needs for security and fair treatment. As an executive, I certainly became aware of the corporations' needs for confidentiality to protect their investments and meet the intense challenges of competition in the open market place. At one time we faced the requests of governments for full knowledge of our pharmaceutical formulations as well as most other critical data. It should be obvious, even to someone without background in business or industry, that such private commercial knowledge is the last basis for a company's survival. How well can such strategic material be safeguarded in public service files?

Fortunately the reasonable men involved quickly agreed that this move was both unnecessary and impractical to achieve the goals desired in this free enterprise society. In fact there were good arguments that such searching investigation could be counter productive. I believe my own experience is relevant to the case of United Aircraft. As consumers, we should all be aware of the need for government, business, and labour to conduct their relationships in a spirit of both honesty and mutual trust, in a balance reflecting our mixed economy. Information should be exchanged freely, but only where necessary and fair.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) has made available to the House considerable information and provided a number of documents in an effort to provide the greatest amount of information possible to assist members of the House to understand the circumstances concerning the activities of the United Aircraft Company. It is important to recognize that the effective exercise of the industrial development function of the Department of Industry, Trade and Commerce depends, to a great extent, on the discretion of the department with regard to the use and distribution of highly confidential commercial data received from a broad range of companies, such as United Aircraft, in the many industrial sectors and subsectors in Canada.

The firm in question freely provided information to the department on the understanding it would be maintained as confidential. In these circumstances the publication of such data by the department would be prejudicial to the *raison d'être* and aims of the department to such an extent that the Canadian economy could eventually suffer. In addition, the foreign competitors of United Aircraft would gain access to information which they could use at the expense of that corporation, thus impeding its efforts on international markets. Such a situation would lead to economic hardship for the company and would cause a loss of jobs for Canadians which would be unacceptable, particularly in view of the present economic conditions.

Since 1960 the government has been participating with United Aircraft of Canada Limited in a development program covering small gas turbine engines. The support is in keeping with the government's objectives of maintaining a design and development capability to build light utility transport aircraft in Canada.

The government has advanced some $73 million to programs jointly shared with United Aircraft. In that 15 year period the company has invested in excess of $250 million respecting research and development, start up expenses, and new capital expenditures. These funds have been used to develop a high grade technical capability in Canada to

produce small gas turbine engines for world markets. These engines are recognized internationally as being the most successful in their class for use in aircraft and have additional applications in ground transportation—Canadian turbo trains, marine use, Bell Voyageur and Viking hovercraft, and for auxiliary equipment at airports, pumping and compression stations, and other industrial applications. The joint development program related basically to two aircraft engines, the PT-6 and the JT15D.

This program has been very successful. Sales from Canada have exceeded $500 million, and market forecasts for these engines project sales in excess of $1.5 billion over the next five years.

To bring matters up to date—and this is important—the company is continuing its capital investment plan in spite of the current general economic slowdown, to expand its manufacturing, assembly, and test facilities in order to increase in-house production capacity. This investment of $6 million in 1975, compared to $3.5 million in 1974, includes the doubling of size of the engine assembly area and refurbishing an existing engine test cell to enable expanded production of JT15D engines. Current engine production rates have increased by 50 per cent over the level at the beginning of 1975. The employment at the Longueuil plant has returned to the previous peak 1973 level of 5,300 workers.

Although the union is officially still on strike, the company has agreed to accept the recommendations of the Quebec minister of labour to effect a settlement of the dispute. The majority of the union members have returned to work and there is a willingness on both sides to continue to negotiate in good faith. The government has continually pressed the company for repatriation of work temporarily transferred to the United States. The company has given assurances that all of the work temporarily transferred from Canada will have been repatriated by mid-1976. In fact the company is currently improving upon that agreed target date.

The March 15, 1973, document on the production of papers, which was referred to earlier, made provision for 16 exemptions, at least four of which are important to the matter in question. These were defined on May 1.

The government's main reason in establishing these exemptions was to give the widest possible information not only to the public but also to members of this House, for the proper understanding of the major issues and, at the same time, to provide a reasonable level of confidentiality for the government's operations.

It is very difficult for a parliamentarian to make a judgment on the balance between the expressed will of the government to supply as much information as possible and the obligation to provide sound administration. Sound administration is made possible in many instances through access to information given on a confidential basis. Having regard for the importance of this balance, the government has, to the greatest possible extent, made available information on the case in question.

On January 27, 1974, the Minister of Industry, Trade and Commerce tabled in the House copies of all development agreements between the Crown and United Aircraft, with the exception of three amendments to them. These amendments were excluded on legal advice because they contain classified engineering and cost information which would violate industrial security if made public to the company's competitors.

Correspondence between the Government of Canada and United Aircraft over the past year continues to be of confidential nature. It concerns critical matters to the company, such as the improvement or addition of product lines essential to the company's future which may, because of the high costs, require joint venture undertakings. If this information were disclosed it would be detrimental to Canadian production and employment in this important sector of the Canadian aviation industry. The circumstances which prompt the government to maintain the continued confidentiality of information in the case of United Aircraft are central to the effectiveness and credibility of the government in the course of its efforts to encourage technical innovation and industrial development capability in Canada.

● (1710)

As members are aware, United Aircraft has provided complete access on a privileged basis to its financial records, to its market analyses, and to its long term plans for product and market development. Disclosure of this data to the international competitors of United Aircraft could destroy its competitive advantage in the small aircraft engine field and would be contrary to the Canadian interest. Similarly, United Aircraft's dealings with its subcontractors and suppliers in Canada and abroad could be adversely affected by disclosure. In addition, the government would not wish to disclose indirectly matters of a confidential nature of Canadian companies having dealings with United Aircraft.

Finally, release of the information could inhibit the future flow of information between government and United Aircraft, as well as with other Canadian companies, to the detriment of our industrial development and trade objectives for this high technology product sector and other sectors of the Canadian economy. I believe, Madam Speaker, that the effective government action taken to date has resolved the concerns expressed in the hon. member's motion.

The Acting Speaker (Mrs. Morin): I see the hon. member for Oshawa-Whitby (Mr. Broadbent) rising. Before recognizing the hon. member I must advise the House that, if the hon. member speaks, he will close the debate.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, this will not have been the first time when a government supporter began a speech by enunciating laudable principles which are supported by members of both Houses—

Mr. Epp: Surely the hon. member means hon. members on both sides?

Mr. Broadbent: I beg your pardon; I ought to have said, "by members on both sides of the House." The hon. member's speech, which at its beginning ostensibly supported the principle enshrined in the motion, ended on a different note. The members of my party reached the conclusion

that, far from complying with the principle at one time enunciated by the Auditor General, the government is trying to do the opposite. It does not intend to follow those principles. I will elaborate on this in the few minutes available to me.

The point at issue is that the people of Canada, through parliament, have provided between $80 million and $120 million, depending on what figures you use, to United Aircraft Corporation of Longueuil, Quebec. That this company used this money positively, no one will deny. The company developed in Canada two excellent aircraft engines which have sold remarkably well at home and abroad.

That company also happens to be one of the most vicious anti-labour companies in North America—by which I mean in Canada and in the United States. It has an absolutely deplorable record in its dealings with its working staff, as evidenced by the strike which has gone on for more than a year and a half at Longueuil, Quebec. The company's employees have been on strike for that period.

The members of the New Democratic Party, reflecting the concern of the people of Longueuil, say that the company was using money provided by the people of Canada and that the company was able to prolong the strike because nothing in the contract entered into between the company and the government prohibited that company from transferring work, financed by the people of Canada, to the United States. That is precisely what the company did during the strike. The hon. member who just spoke acknowledged that the work which was sent to the United States and was supposed to have been done in Canada will not be repatriated fully to Canada until late in 1976.

An hon. Member: Shame!

Mr. Broadbent: That work, transferred out of Canada during the strike, enabled the company to prolong the strike, and enabled the company more readily to implement its profoundly anti-labour policy.

When we asked for the contracts and correspondence to be tabled, we wanted to know if there was anything in those contracts which would prohibit this course of action. We discovered in the contracts, and in the information that was provided to us, that there was no protection for Canadian workers. There was no protection either for the taxpayers of Canada who had put up the money.

We also wanted to look at the correspondence entered into between the Government of Canada and the company. And here let me say I share the hon. member's view, and the view of the government. If there are matters of a confidential nature the disclosure of which could jeopardize the company's commercial competitive position in the economy, or impair its ability to compete with other aircraft manufacturers, those matters ought to be kept confidential. But that position does not justify the total refusal to reveal any correspondence. Presumably a good part of it in the last year and a half dealt with the strike.

Surely the minister or other members of the government wrote to the company, and surely there were replies regarding the company's attitude to that strike. Surely there was some discussion about the obligations of that company to Canadian workers it was employing. But our requests were met with a blanket refusal. The minister refused to provide us with any correspondence.

I repeat that, if information can hurt the company's competitive position, it ought to be kept confidential. But we do not accept the attitude that the people of Canada have no right to know anything concerning the spending of amounts in the neighbourhood of $100 million put up by the taxpayer. We feel we have the right to know, on behalf of the taxpayer, what went on during any discussions. Specifically, we seek information in relation to workers at Longueuil, Quebec, who were adversely affected during the past one and a half years, and continue to be adversely affected. Therefore we do not accept the government's attitude, and we intend to force a vote on this important issue.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): Those in favour of the motion will please say, yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): Those opposed will please say, nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the motion (Mr. Broadbent) which was negatived on the following division:

(Division No. 62)

YEAS

Messrs.

Alkenbrack
Allard
Baker (Grenville-Carleton)
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Cadieu
Clarke (Vancouver Quadra)
Crouse
Darling
Dick
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Forrestall
Friesen
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Holmes
Horner
Huntington
Jelinek
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Laprise
La Salle
Lawrence
Leggatt
MacKay
Macquarrie
Malone
Masniuk
McCain
McCleave
McGrath
McKenzie
McKinley
Muir

Message from the Senate

Messrs.

Murta	O'Sullivan	Schumacher
Neil	Paproski	Stanfield
Nowlan	Patterson	Stevens
Nystrom	Ritchie	Symes
Oberle	Rodriguez	Towers
Orlikow	Saltsman	Yewchuk—67.

NAYS

Messrs.

Abbott	Fleming	Marchand (Kamloops-Cariboo)
Allmand	Flynn	Martin
Andras (Port Arthur)	Foster	McRae
Andres (Lincoln)	Fox	Milne
Appolloni (Mrs.)	Francis	Morin (Mrs.)
Baker (Gander-Twillingate)	Gauthier (Ottawa-Vanier)	Munro (Hamilton East)
Béchard	Gendron	Nicholson (Miss)
Bégin (Miss)	Gillespie	O'Connell
Blouin	Goodale	Ouellet
Boulanger	Goyer	Parent
Breau	Gray	Pelletier (Hochelaga)
Buchanan	Guay (St. Boniface)	Pelletier (Sherbrooke)
Bussières	Guay (Lévis)	Penner
Caccia	Guilbault	Philbrook
Cafik	Haidasz	Pinard
Campagnolo (Mrs.)	Herbert	Portelance
Campbell (Miss) (South Western Nova)	Holt (Mrs.)	Poulin
Campbell (LaSalle-Émard-Côte Saint-Paul)	Hopkins	Prud'homme
Caron	Isabelle	Railton
Chrétien	Jamieson	Reid
Clermont	Kaplan	Richardson
Collenette	Lachance	Roberts
Corbin	Lalonde	Robinson
Corriveau	Lang	Roy (Timmins)
Côté	Laniel	Roy (Laval)
Cullen	Lapointe	Sauvé (Mrs.)
Cyr	Leblanc (Laurier)	Sharp
Danson	LeBlanc (Westmorland-Kent)	Smith (Saint-Jean)
De Bané	Lee	Stanbury
Demers	Lefebvre	Stewart (Cochrane)
Dionne (Northumberland-Miramichi)	Loiselle (Chambly)	Stollery
Douglas (Bruce-Grey)	Loiselle (Saint-Henri)	Tessier
Duclos	Lumley	Trudeau
Dupont	MacDonald (Cardigan)	Turner (London East)
Dupras	MacEachen	Turner (Ottawa-Carleton)
Duquet	MacFarlane	Watson
Ethier	MacGuigan	Whelan
Faulkner	Maine	Yanakis
	Marceau	Young—116.

● (1750)

Mr. Speaker: I therefore declare the motion lost.

Motion (Mr. Broadbent) negatived.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-28, An Act respecting the Royal Canadian Legion, to which they desire the concurrence of this House.

It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 5.56 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole, and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. J. R. Ellis (Hastings): Mr. Speaker, before the dinner hour I had just started to elaborate on the difference between the 10 cents tax and the increase that comes as a result of the increase in cost from $6.50 a barrel to $8 a barrel. The point that I want to make is that people in Ontario would probably not have complained that loudly or that long about the increase had it been the result only of the increase in the per barrel cost.

My friend to my left, the hon. member for Waterloo-Cambridge (Mr. Saltsman), went into some detail a day or so ago when he explained how Ontario, as a result of the national oil policy, had paid a higher price for oil and oil products over the years. His calculations put it at something like $5 billion. As he pointed out, there was no loud outcry because we, as Ontarians, had felt that our responsibility was to Canada first and therefore we knew that this policy was good for all Canada, so we paid the higher price. We did that for 11 years.

The Minister of Finance (Mr. Turner) in his speech opening the debate, as recorded in *Hansard* at page 7411, criticized the Ontario government, and specifically the premier of Ontario. He said:

> Moreover, by freezing the price on oil the Ontario government is creating an impossible situation for one million consumers in eastern Ontario who do not draw their supplies from Ontario refineries. The government of Ontario also seems to be opposing the single price system for petroleum across Canada, and this will likely have repercussions in other provinces.

There is only one word to describe that sort of rhetoric, and that is hogwash.

Backbenchers on the government side may remember that not many months ago the government of Ontario

imposed a 7 per cent tax on heating oil. They will remember that the backbenchers on the government side in the Ontario legislature rose up almost to a man and said that this tax is not good for our people, it should not be put on, and that this is not the time to put on that kind of tax. As a result, the government of Ontario, the cabinet, the premier, and the minister who imposed the tax, thought about it and had the courage to back off because they agreed finally that the time was not right to put on the tax. Now we have the Government of Canada, the federal Minister of Finance, and the Prime Minister (Mr. Trudeau) putting on a 10 cents tax on gasoline, and not one backbencher here has the courage to rise and say that this tax is not good. I know that their constituents are not happy with the tax. I am confident that there is not a member over there who has not received a letter saying that this tax should not be imposed.

Mr. Herbert: Don't include me because that is not true in my case.

Mr. Ellis: I am confident that these people have not agreed to it. The provincial minister of finance says that Ontarians will not agree to this. The provinces paid the bill for a long time, and enough is enough, and too much is too much. I support the freeze in Ontario as the only course of action open. It would not be necessary if the cabinet had the courage to face up to what is obviously an error, and take the tax off.

The Minister of Finance also quoted the minister of energy for the province of Ontario, and I should like to read that quotation which appears at page 7412 of *Hansard* and is part of the speech of the Minister of Finance on the Excise Tax Act. This is what the provincial minister of energy said:

> It must be increasingly apparent to all of us that energy is too rare, costly and precious to waste. I will go further: I hold the view that if as a world community—particularly the industrialized world—we fail to adjust our use of energy and accept the shift in our lifestyle that may be implicit, within a decade or two changes in lifestyle will be irresistibly imposed upon us. And those changes may be ones that we like less than the alternative that is still our option.

● (2010)

The federal Minister of Finances justifies this as a reason for imposing this tax and increasing the cost. I suggest that it might justify some savings, but it does not justify imposing a tax.

I have driven down highway 401, as I am sure have many hon. members, at the legal limit of 70 miles per hour, and I have been passed by federal vehicles as though I were standing still, despite the rhetoric which we hear. I read the advertisements by the federal government to the effect that it is saving energy by turning out lights in buildings. There are more buildings which are federally owned or controlled which have their lights on all night in the city of Ottawa than one could shake a stick at. In the next few days I will list them for hon. members. The Ontario government, however, is forcing cutbacks in Ontario Hydro and in other areas.

If I may change the subject slightly, the administration of this tax has to be a nightmare. We do not know if we will ever receive rebates. Eventually, I expect we will, but—

Mr. Foster: Call off the filibuster.

Mr. Ellis: There is an expression that we huckleberries in Hastings county use to answer that kind of remark, but I would not dare use it in this House. What is happening is that we are being led down the garden path and told that, unless we pass this bill, we cannot receive the rebates. I suggest that if this bill were passed tonight there would not be a rebate for the next three months because the administration is not ready. The paper work is not ready, and we know that this government runs on paper. The government will not be ready for three months whether we pass the bill tonight or not.

One of the things which was promised in the budget was a cutback in the civil service. That cutback turns out to be a cutback in the projected expansion of the civil service. Actually it is to be cut down to about 10,000 plus man-years in the coming fiscal period. Comparing ourselves with the province of Ontario, we find that Ontario is actually cutting back on its civil service.

The minister was wrong in November when he brought down his budget, and he is wrong now. For example, in November the minister imposed a special tax on light aircraft. At that time he made the incorrect statement that this would save fuel. After serious pressure from all members on this side he backed off some, but not all. In the past few months I know that he has been given all the statistics he needs to prove that that particular use of energy is far more efficient than the average motor car. I personally believe that the minister falsely thought that he was taxing the rich, and he thought that this was a popular thing to do. He has found out since that in actual fact many businessmen in the middle income group use this form of transportation because it is fast and flexible. They need that flexibility, and in fact the minister was not taxing the rich as he thought he was.

Not only will this increase in tax fuel the fires of inflation, but it will hurt the population of all Canada in many other ways. It is becoming difficult to buy a house. For someone who has to drive 100 miles per day that 10 cents per gallon added up will make the difference in whether he can save the money to buy a house, as housing costs increase. With regard to the figures which we hear the Minister of State for Urban Affairs (Mr. Danson) batting around of 180,000, 200,000, or 210,000 starts this year, I do not think he really knows which is correct, and I am not sure he cares as much as he should.

I know that in my riding there is a plant which makes telephone equipment, Northern Electric, and because housing starts are down, that company has laid off 350 or 400 people. It just does not have enough business. I suggest to the minister that these people are less able now to pay that extra 10 cents tax on gasoline than they were when they were working, and they are wondering whether this government, in not keeping the housing industry going, is in large measure responsible.

In the excise tax bill it is proposed that the government will remove the tax on insulating products, storm windows, and screens. How long have we on this side of the House said that the tax on building materials should be removed, period? All that is happening with this tinkering and playing around with little bits and pieces is that the

cost of collecting that tax per unit is going up. I am sure hon. members will agree that the cost of collecting the tax on building materials has not reduced. The tax which is being collected has reduced as it has been cut slowly but surely, but the cost of collecting it has not gone down, and the percentage reduction of the cost of a new home will be so minimal that it will not be noticed. Certainly that reduction will not be reflected in the cost of a new home. If CMHC programs were more receptive to smaller homes and to re-using some existing housing, I think we would be in considerably better shape.

I wish to make reference to one final brief quote which has been brought to my attention:

A gilt-edged committee of the C.D. Howe Research Institute has called for a list of measures, headed by strict limits to growth in government spending, to deal with Canada's current economic difficulties—

The committee says there can be no easy or quick solutions to all the economic problems of Canada, but a start must be made now on a framework of longer term policies designed to streghten (Canada's) productive capacities, competitive position, productivity and employment and to achieve greater fairness for lower income groups.

I suggest that the government has been tinkering with Canada's economy, and speaking strictly to the amendment, if we would use the time proposed in the amendment to consider the bill, and if some of the backbenchers would go home and listen to the complaints of their constituents, I think we would have an entirely different bill when we come back.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, I want to add my words of protest against this cruel tax which will weigh heavily on the people of Canada. It will weigh especially heavily on the people of my province.

In the province of Newfoundland at the present time, as a resullt of the imposition of this tax, the price of gasoline ranges between 90 cents and 95 cents per gallon. As a result of the increase in crude oil prices announced in the minister's budget and a further 5 cents per gallon increase, before the year is out we expect that a gallon of gasoline in Newfoundland will cost $1. That is in a province which has the rather dubious distinction of having the highest cost of living as well as the highest rate of unemployment in the country.

We are discussing a bill to impose this tax—or to give the minister the statutory authority to continue to collect the tax, because the tax has already been imposed—in the midst of figures released by Statistics Canada just a week ago on July 11, showing that over-all inflation had increased by 1.5 percentage points in the month of June. That is a substantial and significant increase, one of the highest monthly increases during the past ten years. Incorporated in these figures was a 3.3 per cent increase in the price of food.

● (2020)

It is also significant that the government has introduced a bill to amend the Unemployment Insurance Act, the effect of which is to decrease the benefits payable to an earner with a large, dependent family. As well, the bill will provide for the elimination from the insurance rolls of old age pensioners. These are the two groups that are

[Mr. Ellis.]

hardest hit, the low income earner who has to pay cash for his food like everybody else, and the pensioner. These are the people who cannot write off the cost of gasoline on an expense account; they have to pay cash. These will be the two groups hardest hit, and they will be hit still harder if the government insists on imposing this tax.

Following on the heels of the consumer price index came the unemployment figures which showed a substantial increase. Canada today has an unemployment rate of 7.2 per cent; in my own province the month of June showed an unemployment rate of 17.9 per cent, a rate more than double the national average. It is also significant that incorporated in these unemployment statistics released just a few days ago are figures relating to the disproportionately high rate of unemployment in the young age group.

Young people coming on to the labour market following the commencement of the summer holidays in the universities and colleges are unable to find employment, and this, notwithstanding the millions of dollars pumped into the Opportunities for Youth Program. It means that these young people will have to go back to the universities and colleges in the fall under a severe financial handicap because they are unable to find summer employment. This group will be hard hit by this tax.

We should bear in mind as well the report of the Food Prices Review Board released in July. This is one of the special studies of the board on the prices of bread and fluid milk in Canada. An information bulletin released July 15 had this to say:

Substantial bread and milk price increases during the last two years appear to have caused considerable hardship for many Canadians, especially those with fixed and limited incomes—

At page IV of the report entitled "The Consumption of Bread and Fluid Milk in Canada", it states:

Comparing across families at differing income levels, it is clear that the absolute amounts spent on bread and milk varied little.

What the board is saying is that consumption of those essential items has not decreased. People still have to buy bread and milk. The report continues:

For example, a two-adult two-child family had roughly the same expenditure on bread and milk whether that family had an income in the $2,000-$3,999 range, or in the $10,000-$14,999 range.

Again, this tax will weigh most heavily on the low income earner who already has to spend a disproportionately high amount of his income on food, and who has to pay a disproportionately high amount of his income for essential food items like bread and milk.

What happened to the government, this same government that responded in the last parliament when it was struggling for survival and announced a special consumer subsidy on these two items? That consumer subsidy was rather inhumanely and cruelly withdrawn when the government returned with a majority.

The fact remains that what we are discussing tonight is a tax which will affect the low income earner who is already burdened with high food prices, which will adversely and cruelly affect the pensioner, the Canadian on a fixed income who has to watch his pension being eroded month by month by inflation. These are the groups that will be hardest hit.

I believe the government should give serious consideration to withdrawing this bill. Perhaps it is just as well that it comes at a time when parliament is scheduled, at any rate, to adjourn for the summer recess. Perhaps that will give the Minister of Finance and members of the government an opportunity to feel the pulse of the nation, to get the direct reaction of the people of the country who have to pay that tax every day, every week, every month as they fill up their tanks with gasoline.

In addition, we can anticipate further increases, another five cents per gallon, and increases in energy prices which will impose a heavy hardship on low income earners. It will mean a direct increase in the price of heating fuel and will cost more to heat homes. Who has to bear the burden? Who has to bear the excessively heavy burden? It will be the low income earner, the pensioner, the man on the fixed income, the unemployed person trying to get by on unemployment insurance or social welfare payments. If the low incomer earner is unfortunate enough to be in the ranks of the unemployed, and if the government has its way, he will see his unemployment insurance decrease if he has a dependent family.

This measure is highly inflationary. It is an inflationary measure contained in a disastrously inflationary budget.

According to the OECD, Canada is the only member country, with the exception of Great Britain, that does not have its inflation under control.

The Conference Board of Canada made a prediction on July 4, referring directly to the increase in the price of oil and the excise tax on gasoline. The board said:

● (2030)

Our estimates of the impact of these measures on prices is a 1.7 per cent increase in the Consumer Price Index over the next twelve months.

Statistics Canada took an unusual step when announcing their CPI figures for the month of June. In the preamble to the announcement they said the figures did not include the impact of the increased price of gasoline which will result from this excise tax measure.

The Food Prices Review Board predicts that this measure will increase food prices.

The Grocery Products Manufacturers of Canada think food prices will go up. This is the way the *Globe and Mail* of July 16, 1975, puts it:

A high rate of food inflation is indicated in 1975, G.G.E. Steele, president of the Grocery Products Manufacturers of Canada, says.

The association estimates that food prices this year will increase by 12 per cent.

Already in the month of June food prices have gone up by 3.3 per cent. The Minister of Agriculture (Mr. Whelan) announced measures to restrict the importation of eggs to Canada from the United States. Mr. Speaker, eggs are a most important source of protein for low income earners. We were led to believe and have it on the authority of the minister, that these import restrictions were only imposed after CEMA put its house in order.

It is interesting to note the provisions of the new agreement signed by CEMA and the marketing boards of the provinces. Two provinces had to be forced to sign the agreement. The Minister of Agriculture threatened Alberta and New Brunswick that if they failed to sign, those provinces would be flooded with cheap eggs. Alberta announced, when signing the new agreement, that it will be withdrawing from CEMA, and served the required one year's notice.

The United States has indicated it will retaliate. That retaliation may further affect food prices in Canada. Beef prices alone rose 18 per cent last month owing to restrictions imposed by this same Minister of Agriculture a short time ago. There are indications that the United States will retaliate and, as I say, this could drastically affect Canadian food prices. Already egg prices have responded to the minister's announcement and risen. They could go higher still.

We are discussing this measure at a time when Canada is facing record high unemployment. We are discussing the imposition of this tax at a time when Canada faces another wave of record high inflation, at a time when food prices will continue to escalate and impose a severe burden on low income earners.

What will the proposed tax mean? I estimate that the average family in Canada will have to spend $70 more per year on gasoline. It is all very well to eliminate certain users from the impact of this tax. I maintain that its net result will be inflationary. The net result will be to increase transport costs in Canada. Food production costs in Canada will rise and the increase will be passed directly on to the consumer.

I submit that this is not the time to propose this tax. The government can talk all it wants about filibuster. If this is a filibuster, so be it. We can only tolerate this tax if we force the government to push it through with closure. We can be justified in passing this measure only if there is closure, as this tax will impose an additional burden on the people of this country. I am prepared to stay here and speak as often as necessary. In any event, the government might be well advised to hold this bill over to the fall. if we adjourn. The adjournment will give the government an opportunity to gauge public reaction. Members will talk to their constituents and gauge the reaction of the people who must pay this tax. The unemployed must pay it. The middle income earner, who at this time of year is highly mobile on vacation, will find that his holiday cost more be reason of this tax.

What is happening? There is to be an increase in egg prices, an increase in gasoline prices, an increase in beef prices, and an increase in fuel oil prices. There are to be decreased benefits to low income earners with families, who must depend on unemployment insurance. The old age pensioner is to be eliminated from the unemployment insurance rolls. What kind of budget is this? What kind of Minister of Finance is this? What kind of government is this and, Mr. Speaker, what kind of parliament is this that can tolerate or accept such a measure?

The amendment put forward by my party should be considered seriously by the House. It is not a debating ploy, not a tactic to filibuster. It is a genuine and sincere expression of our concern on behalf of the people of Canada, because we think this tax should not be imposed, at least not at this time.

I hope the Minister of Finance can find it in his heart to reconsider this measure and remember the effect it will have on the poor of this country, on our pensioners, on our unemployed and on our low income earners. I say this to the Minister of Finance: if he wants to salvage what little there is left of his reputation, which has suffered badly because of this disastrous budget, he will put this bill over to the fall, reconsider it and, hopefully, after having reconsidered it, have the heart to withdraw it.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am grateful for the opportunity to take part in the debate on Bill C-66, an act to amend the Excise Tax Act, and on the amendment to this bill introduced by the Leader of the Opposition (Mr. Stanfield).

The amendment to this bill which seeks to delay its introduction for six months is a most significant one. It tells us a great deal about the policies of those who support it. The most charitable description I can think of is that it represents the ostrich school of political thought—"Don't do anything to solve the problem; just stick your head in the sand for six months and maybe it will go away."

Some hon. Members: Oh, oh!

Mrs. Campagnolo: I remind hon. members that the voters of Canada looked at that ostrich just over one year ago and proclaimed it a dead duck. They elected, instead, a government which would provide leadership and was not afraid to tackle serious issues, even if it meant taking some unpopular steps.

● (2040)

I am confident, as a new resident of at least five days a week in this province, that the voters of Ontario will vote similarly this fall and replace the big, blue ostrich of Queen's Park with a progressive and forward-looking bright red Liberal bird, of substance, thought, and good government.

Some hon. Members: Hear, Hear!

Mrs. Campagnolo: The Leader of the Opposition admits that we have a serious problem to face in ensuring a continued supply of energy for Canadians at a realistic price, but from there his policies seem to hesitate and slow down like the pace of a turgid river.

He does not approve of the excise tax, but he does not want to increase income taxes. Nor does he want to increase government debt. Yet he is in favour of a single-price system for petroleum products as long as we who are supposedly thought of in intellectual metropolitan Tory circles as "nasty" westerners do not feel too badly about subsidizing the Atlantic provinces.

No wonder he wants to hide his head in the sand for six months. In his position I think I would be tempted to keep it there until some time early next February.

I think that all Canadians, with the possible exception of big blue ostriches, realize that we face in the months ahead some very serious and very difficult decisions about the future, and particularly the future of our energy supplies—where they are to come from, how we are to obtain them, and then how we are to pay for them. Our known petroleum reserves are diminishing at our current rate of consumption, doing so steadily during the next ten years. Our untapped resources can only be obtained at a price much higher than that we are now used to paying, or perhaps even willing to pay.

We will pay more for oil and gas in the future. That is an irreversible fact, a simple statement of demand and supply, and not a sinister plot of Leninist communism, as the hon. member for Pembina (Mr. Elzinga) would have us believe.

However, since the parliamentary guide says he has 274 Leninists in his own constituency, I must assume he knows whereof he speaks, so I bow to the hon. gentleman from Pembina in his definition of Leninists, though I must confess I laugh out loud at the thought that he considers the Prime Minister (Mr. Trudeau) a Leninist or the Minister of Finance (Mr. Turner) a communist.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: The hon. member for Waterloo-Cambridge (Mr. Saltsman) ought to know and, if he read the budget, so should my hon. friend from Pembina know that this is a stringent right-leaning budget geared to tough times. The question of oil and gas prices is one which is critical to our country's future as a major industrial nation, and I wish to commend the Minister of Finance and his colleagues in the federal cabinet for having the political integrity to face this problem now, and for their leadership in determining to resolve it while it is still only a problem, and not waiting for it to become a flaming crisis in this nation, as the ostriches would have us do.

Mr. Elzinga: Mr. Speaker, I rise on a point of order. The hon. member for Skeena (Mrs. Campagnolo) is usually correct in what she says in this House. However, there are two areas which she mentioned here that are incorrect. I would like them corrected for the record. I did not refer to the Minister of Finance (Mr. Turner) as a communist. Nor did I refer to the Prime Minister (Mr. Trudeau) as a Leninist. I said the Prime Minister followed the teachings of Lenin.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: Mr. Speaker, I do not see any point of order in that. However, the facts are clear in the parliamentary guide book. Marxist, Leninist and communist candidates ran in the hon. member's constituency. I bow to him with all the grace I can muster in his knowledge of Leninists.

The question of oil and gas prices is critical to this country's future. I was saying, when I was interrupted, not by the hon. member for Pembina (Mr. Elzinga) I hasten to add, but by some outcries from the opposite side, that ostriches are notably quiescent and tranquil. They are big birds, but they are seldom noted for their brightness.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: This tax is an unpopular one, and this legislation is not popular legislation. Paying taxes is never popular. But the real test of leadership is the ability

to make difficult decisions and not blow in the wind like blue ostrich feathers, tinted and curled, and ready to fly away with every passing breeze.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: The June 23 budget showed leadership, leadership which will provide us with a fair and equitable energy policy in the years and decades ahead. This government is not afraid to look at the long term needs of Canadians, perhaps not even born yet, as priorities.

We know that prices for oil and gas are going to continue to rise. We know that it will take a massive commitment, and equally massive amounts of money, to bring the tar sands and the oil deposits in the high Arctic into full production.

The question then is not whether these things are going to happen, but what policies are we going to have to ensure that their impact on Canadians is as minimal, and as fair and equitable as possible.

That is why we now have a single national price for petroleum products in Canada. That is why the export charge on petroleum sold outside of the country is used to subsidize the cost of petroleum for those Canadians who are still dependent on Venezuelan and Mid-Eastern oil. That is why we accept that petroleum prices must be brought closer to international levels in order to encourage the development of our untapped resources and ensure a continued supply of Canadian oil for Canadian users.

The ostriches would have us sit with our heads in the sand until our current reserves are used up, dried and dead, and then place us at the mercy of the OPEC cartel. I do not accept the ostrich school of thought, formidable though it might be in aviary circles. Neither do my constituents.

I would tell the hon. Leader of the Opposition if he were here that we do not harbour resentment toward the eastern part of this country every time we buy gasoline because we are subsidizing those Canadians who are dependent on imported petroleum products. For, Mr. Speaker, even in far away Skeena, we are Canadians too, and we are proud of it. We have no time for short-sighted politicians who feel they must put their picayune interests ahead of the good of the country.

We do not like paying the extra ten cents a gallon when we buy our gas, but we are willing to do it because we are aware of the need for it, and are aware that it is a part of the price we must pay to keep our country growing and developing, and to ensure that the people of this nation do not suffer severe financial hardship just because they live in a certain part of the country.

Ours is a young and growing country, and the costs of its growth must be as equally divided as the benefits. Surely, Mr. Speaker, all members are aware of and accept that basic principle. That is the basis on which our country was founded.

Certainly the ten cents per gallon is unpopular and expensive, even exasperating to some, but they are the users and able to pay. I might remind hon. members that the building of the Canadian Pacific Railway was pretty expensive, and pretty unpopular as well, until Pierre Berton made it profitable. So were those high tariffs designed to create and protect the Ontario and Quebec manufacturing industries. They were considered necessary, despite the cost, as part of the price of the shaping of our country as we know it today.

● (2050)

A responsible and constructive opposition would have accepted this basis—a basis accepted by the people of our country as part of the price of unity and confederation—and would have offered positive and realistic criticisms of the government's policies. Hopefully they would have put forward some alternate proposals. Instead, what have we seen?

The main criticisms, once you wade through all of the high and mighty verbiage and a few ostrich feathers, appear to be that the excise tax is the wrong way to collect the money, and that anyway, it is not necessary. The only need for it, in the words of the biggest ostrich in Queen's Park, is the "propensity of the Government of Canada to consume money". Well, I would like to see him explain that one to the residents of his present federal leader's riding in Halifax, who would be paying well over $1 per gallon for gas if it had not been for the leadership of this federal government. As it is, the oil subsidy program will operate this year at a deficit of between $400 million and $600 million. So, simply stated, the money is needed.

Which brings me to the second criticism by the opposition—that the excise tax is a vile, iniquitous, and a generally nasty way to raise money. On the other hand, however, they agree the money should not be raised by increasing personal income taxes, and the government deficit is already too large. I do not really know what else that leaves, unless the hon. member for York-Simcoe (Mr. Stevens) has something else up his sleeve—perhaps another bank.

The excise tax is not perfect, and I have my own criticisms of it which I will come to shortly, but I believe it is the fairest means of collecting the needed revenues because it is based on the principle that those persons who buy petroleum for their own personal use should be called on to bear the financial burden of implementing an agreed upon national petroleum policy.

I accept that there are inequities in this tax, and it penalizes those who must rely on an automobile for their only means of transport. But let me point out to hon. members that in my constituency it is not a drive of 50 or 60 miles into the city, but a drive of 500 to 600 miles—1,008 miles if one wishes to visit the beautiful metropolis of Vancouver.

However, we must accept the fact that we have to change our energy consumption habits, and I would sooner have the car driving residents of my constituency pay this tax than I would have them subsidized by my constituents who do not drive automobiles, and by the senior citizens who practise conservation not through choice but through economic necessity. As I indicated earlier, however, I do feel that this tax is, in areas, unfair, and that it places a special burden on the residents of my constituency as well as the residents of other more remote parts of our country.

I regret to advise the Minister of Finance and the Minister of Energy, Mines and Resources (Mr. Macdonald) that

this excise tax will not have a significant conservation effect in Skeena. Are all hon. members ready to accept the fact that the people there are paying $1.03.9 cents per gallon for regular gasoline? That is what I paid last week in Dease Lake, which is in my constituency, and when you pay that price you are fully aware of the need not to waste gas.

I mentioned earlier that the prices of confederation must be high, and that there is a need to share equally the costs as well as the benefits of building our great country. In Skeena we accept that principle, and we do not object to sharing the costs of the oil subsidy program or any of the other elements of national unity which are essential to Canada's future.

It seems to me that too many hon. members from all sides of the House, who sit here complacently and smugly representing their "comfortable cat" urban ridings and then complain about something like this excise tax, have forgotten that there are still parts of Canada which do not have the facilities and services they take for granted. Some of these hon. members seem to forget that the mines that produce the metals that feed the automobile plants do not operate themselves, that the trees in the wilderness forests do not chop themselves down, that the fish do not jump out of the ocean into nice, neat little cans, ready for the grocery store in Scarborough.

It takes people to do these things, Mr. Speaker—Canadians. And these Canadians from not only my own riding of Skeena but from other ridings in our north and mid-north all across Canada do their jobs and live their lives without the social, recreational, cultural or medical amenities considered necessities by our country's comfortable southern urban population.

This last Tuesday was a very important day in my home town of Price Rupert. A ceremony was held to mark the opening of a new dental clinic. And why was this such an eventful day? Because this city of 20,000 people now has a grand total of three, instead of two, dentists, and each dentist has only 7,000 people to look after instead of 10,000.

As I have said, my constituents accept the necessity of this excise tax as one of the costs of keeping our country together. But they are also beginning to wonder when they can expect some consideration regarding costs themselves. Those in the mid-north would like a little more regional assistance.

Expensive gasoline is not something new to us. I recall that there was a royal commission on gas prices in British Columbia in 1964, and the average price of regular gasoline in Vancouver was then 39.9 cents per gallon. In Prince Rupert it was 49.4 cents per gallon. Today the average price of regular gasoline in Vancouver is 71.9 cents per gallon. In Prince Rupert it is 84.9 cents; in Terrace and in the Bulkley Valley 86.9; and, as I have mentioned, in Dease Lake I paid $1.03.9 per gallon for regular gasoline.

What my constituents would like to know, Mr. Speaker, is why it is so much more expensive for gasoline in our part of the country. When you take away the new ten cents excise tax, the 3.2 cents in other federal excise taxes, and the 17 cents in provincial road taxes on a gallon of regular gasoline, the price in Vancouver is 41.7 cents per gallon, and in Burns Lake 56.7 cents, or 36 per cent higher.

And that money is not staying in Burns Lake; it is going to Vancouver, or Calgary, or Houston, Texas.

My constituents do not object to paying ten cents per gallon to ensure a reasonable gasoline price for those Canadians dependent on imported oil. But we are a little less enthusiastic about subsidizing multinational oil companies who swear by their belief in competition so long as it does not interfere with their ability to charge whatever the traffic will bear.

In 1963 the previous government of the province of British Columbia authorized a royal commission on the gasoline price structure in B.C. as is the case with most such studies under that administration, it was essentially a manoeuvre to cool off a too hot political issue, and little consideration was paid to its recommendations. But this report contains some very interesting information, such as the conclusion by the commissioner, Mr. Justice William Morrow, that "the present high retail mark-up in some areas is unfair", and his statement that "the figures do show that there are a number of centres in B.C., such as Prince Rupert... where the average gasoline sales per station are not very much below those in metropolitan Vancouver. This is an important fact, inasmuch as the major oil companies have mentioned that one of the reasons for the high dealer mark-up in outlying centres is the relatively low gallonage going through the service stations in those areas, as compared with the lower mainland."

The commissioner further reported that, according to the oil companies' own figures, of the 9.4 cents per gallon mark up on regular gas between Vancouver and Prince Rupert in 1964, only 2.58 cents per gallon could be attributed to transportation costs. There were 6.82 cents of fat in there in 1964, and there is a lot of fat in there somewhere today, Mr. Speaker, and it's certainly not going to my constituents in Skeena. I only hope that hon. members opposite will pull their heads out of the sand for long enough in the near future so that we just might be able to pass phase one of the competition act and allow the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to examine closely situations such as this.

● (2100)

What does this have to do with excise taxes? A great deal, as hon. members from the comfortable south will see. In researching this subject for my speech today I talked for a considerable time with a resident of my constituency, Mr. Cyril Shelford, who was a cabinet minister in the previous Social Credit government of the province of British Columbia, a man who has for many years pursued the inequities of the gasoline prices we in the north must pay; a man, too, who was investigated twice for being a communist simply for saying what I am saying now. He is a Social Crediter, and as the hon. member for Prince George-Peace River (Mr. Oberle) will tell you, Mr. Speaker, a Social Crediter is just a little bit further right than he is.

Some hon. Members: Oh, oh!

An hon. Member: The chief ostrich has just walked in.

Mrs. Campagnolo: I received considerable information on the subject from this constituent as well as from many

other people to whom I have spoken throughout my riding. Perhaps their thoughts are best summarized in this quotation from a letter I have received from Mr. Hank Hoornenborg, who, by the way, would never be considered a leftist since he was the head of a local conservative organization and is President of the Chamber of Commerce in the town of Houston. Mr. Hoornenborg says:

> The Houston Chamber proposes that efforts should be made to equalize fuel costs across the province. It is a well-known fact that because of the environment, distance and fewer opportunities, Canadian in northern areas make use of their automobiles to a larger extent. Because of often rigorous conditions of climate and roads they must purchase more costly vehicles and face higher maintenance costs and insurance premiums . . . Ottawa, we feel, must find a means by which to come to grips with the inequities Canadians in the north are constantly facing.
>
> This land needs its northern residents, yet at the same time it penalizes these same people time and again for their willingness to withstand harsher conditions of life, and having the independence of mind to become personally involved in development of our nation.
>
> Energy is such a basic commodity that the whole nation might well make it its responsibility to help carry the costs of energy expended in Canada's north.

Mr. Hoornenborg's point is a most important one, and it reflects accurately the concern felt not only by my constituents but by persons across Canada with the initiative to become personally involved in the development of our country instead of sitting back in the comfortable southern cities. In the light of the 10 cents a gallon we are now debating the ensure the continuation of an equitable and reasonable price for gasoline in all parts of our country, I suggest to hon. members that they give consideration to the extension of this equitable and reasonable price to the more northern areas of Canada as well as to the fortunate south.

I have been advised that, based on the total volume of gasoline sold in the province of British Columbia, it would require an over-all increase in price of only three-quarters of a cent per gallon to equalize the north-south differential in the price of gasoline in all parts of the province. Transposed into national figures and applied to the situation in northern Manitoba, northern Saskatchewan, northern Ontario, northern Quebec, and even northern Alberta, I am sure the cost would not be significantly different.

I leave this thought with hon. members and ask them to consider it if and when they return to their amenity-filled ridings in the comfortable south—ridings to which we will be welcomed back with questions.

Some hon. Members: Oh!

Mrs. Campagnolo: I say to our outstanding Minister of Finance that, unlike the members of the Progressive Ostrich Party, my constituents accept the measures he is introducing in this legislation and accept the cost of ensuring that we have a strong and united country. When I vote for this bill and against the amendment I will do so knowing that this is another aspect of the price of being a federal nation, and in the full knowledge that ultimately northern disparities will be as visible as eastern energy disparities and that appropriately just action will be taken to share in larger measure the benefits of confederation from south to north as well as from sea to shining sea.

Some hon. Members: Hear, hear!

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my hon. friend from Cape Breton-The Sydneys who spoke last evening was soundly rebuked for referring to the previous speaker as "a delightful lady". I read her comments with regard to that. She was not, she insisted, a delightful lady, but a member of the House of Commons. So I thought I had better be careful about entering this debate immediately following her contribution.

Mr. Dionne (Northumberland-Miramichi): Better not!

Mr. Patterson: I hear a comment from the hon. member for Northumberland-Miramichi. I have not heard him make any reasonable or decipherable statement since I have been here.

An hon. Member: You have not been listening.

Mr. Patterson: If we keep him here long enough maybe he will reach the point at which he is able to get up and make a reasonable contribution to these debates.

An hon. Member: Don't count on it.

Mr. Patterson: The hon. member for Skeena (Mrs. Campagnolo) told us there was sound and decisive leadership by the present government.

Some hon. Members: Hear, hear!

Mr. Patterson: Mr. Speaker, if there were sound and decisive leadership we should not be facing the massive problems we are facing in Canada at the present time.

With reference to her comments on certain individuals not wishing to do anything to solve these problems, I would only refer her to the fact that in several successive budgets the Minister of Finance (Mr. Turner) told us he was tackling some of our major problems in Canada, specifically, inflation and unemployment. I have heard him make that comment when introducing several budgets at various times. I also heard the Prime Minister (Mr. Trudeau) state that he intended to wrestle inflation into the ground. Well, these problems are still with us and, whether the government has done anything at all or not, the fact remains that unemployment is still a major problem, that inflation is a gruelling problem, and that as far as the economy is concerned it is much worse than a great many Canadians realize.

We have been told that the policies being followed by the government are geared to tough times. If I may make an observation, it is that if we are experiencing tough times now they are nothing compared with those ahead of us unless the government does, in fact, show some decisive leadership and take appropriate action.

Some hon. Members: Hear, hear!

Mr. Patterson: For a number of weeks we were waiting for the introduction of the budget. Time and time again we were advised that its presentation had been delayed. Finally he minister brought it down on June 23. I wonder why he waited so long. Was it because he could not make up his mind about what he wanted to do? Or did he wish to delay the budget to the point at which he felt the opposition would not be prepared to sit it out and debate

the legislation based on the budget resolutions he was introducing? Mr. Speaker, we are still here, and I am not sure how long we are going to be here. As I look at some of these resolutions I believe I can say we are justified in carrying this debate on in spite of the charges of filibuster.

● (2110)

We know the people of this country are desperately concerned about the implications of this measure we are currently debating. The hon. member for Scarborough West (Mr. Martin) speaking in this debate stated that he represents a party which is 100 per cent behind this resolution in respect of the gas tax. Could it be that 100 per cent of the Liberal supporters in this House tonight believe without any reservation that this is a policy which could be justified in the eyes of those who elected them to this House? If so, I am sure we will not hear them because there are many who would be embarrassed if they stood and made statements such as those we have heard from the one or two government members who have spoken, because they know they will have to go back and answer to those who elected them to the House of Commons.

Although there are a number of items contained in this bill, the item of prime importance is the application of the ten cents tax on gasoline across this nation. This brings us back to consideration of the government's policies in respect of energy. If the Minister of Energy, Mines and Resources (Mr. Macdonald) and the government want to make Canada self-sufficient in resources and bring down the price of oil for Canadians, I suggest they could not have chosen a worse course over the last two years to achieve that goal. In addition to that, they have introduced this tax.

I would go so far as to say that if the government wanted to make Canada dependent on world energy supplies and ensure that Canada would have to pay high prices for oil and gas, it could not have adopted any better policies than those which have been placed before this House and submitted to the Canadian people. In other words, I believe the government has botched its energy program. It has failed miserably in everything it has tried to do in this regard down through the past months.

Let me illustrate the way in which this whole situation has been bungled. In 1973 Canada was potentially self-sufficient in respect of oil. There were some 334 oil drilling rigs operating in Canada. However, the course the government has followed since that time has driven the oil people out of the country because of its oppressive tax system, its intrusion into the tax field, as illustrated by the National Petroleum Act, the Petro-Can legislation, and the Prime Minister's (Mr. Trudeau) policies of confrontation in respect of taxation, as well as the government's wishy-washy ad hocery in dealing with the very crucial problem of exploration in this country. Because of this, as pointed out by my colleague from Battle River in the debate on Petro-Can last week, one-third of all those oil rigs have left Canada, and oil exploration activity has declined something like 20 per cent since 1974, while production of Canadian crude has dropped 17 per cent since 1974. It appears that the government, having set the stage and having created a problem, is trying to put in place some policy to solve the problem it has already created.

The government claims that exploration for oil is down. This is one of the justifications for the introduction of the bill to form a national petroleum corporation. I say again that this is the reason. This is why we are faced with the situation before us today. The government, which is supposed to be giving leadership to thhis country, seemingly has dedicated itself to the abolition of the free enterprise, private enterprise, system in this country. It could not resist the temptation to have a contrived crisis and to jump into the private sector with both feet and trample both the consumer and the producer underfoot. Needless to say, the uncertainty created by the government with regard to an energy policy has meant an undermining of the confidence the oil industry has traditionally had in the Canadian industrial environment. This uncertainty has resulted in a substantial decline in activity in Canada simply because the industry could not depend on what the government would do next.

The Minister of Energy, Mines and Resources says he is dedicated to the goal of keeping down the price of oil and gas for Canadians. This seems rather ludicrous in view of what is before us at the present time. Where was the minister on the night of June 23? No doubt he was in the House, but I am sure he must have been cringing in his seat as the Minister of Finance announced his ten cents a gallon tax increase, which is diametrically opposed to the principle announced by the Minister of Energy, Mines and Resources. Perhaps we might have an explanation of this. On the one hand we have the Minister of Energy, Mines and Resources stating that he wants to keep down oil prices for Canadians, while on the other hand we have the Minister of Finance raising the price of gasoline by ten cents a gallon in one shot.

The situation is not that the oil companies will have more money for exploration but that the government's take from the pockets of the poor, the oppressed, and the already overtaxed Canadian consumer will be increased. So here we have one minister wanting to keep prices down while another overrules him and unilaterally increases them. I suggest this is indicative of the situation in respect of cabinet ministers in this government.

There is a policy conflict. We witnessed this some time ago when there was a conflict between the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet). They were at each other's throat because one was enunciating a policy that was undercut by the other minister. Then in order to try to smooth over the difficulty the Prime Minister stated that it is a healthy exercise, a healthy symptom, to have disagreement in the cabinet. That was a change from the cabinet solidarity we heard so much about.

Mr. Turner (Ottawa-Carleton): I remember your old Social Credit Party.

Mr. Patterson: That party had some tremendous policies when we were here in times past, and I am glad to see that a great many of them are being advocated by us today. I believe the minister would like to move a little in that direction if he were not held back by his cabinet. I can think of no more oppressive a tax the government could put on the working people of this nation than that contained in Bill C-66. This increase places an unjust

direct tax on all private motorists. It creates another hardship for the majority of motorists who are in the lower and middle income groups.

It has been pointed out very clearly that this tax will add tremendously to the burden of the Canadian taxpayer in general, and will fall particularly on those who use their automobiles in order to struggle to make a living. In this connection we realize that the minister is not too concerned about that, because if he was very concerned he certainly would not have brought in this measure. The burden will fall on those people who have retirement in mind and the hope of enjoying a little of the fruits of their labours over a period of 30, 40 or 50 years. Now the minister plunks another ten cents tax on them and thus curtails the enjoyment they were looking for in their retirement. So the tax is falling upon those who have every right to expect some consideration from this government. Surely to goodness they will come to the realization pretty soon that they cannot expect it from the administration that we have at present.

● (2120)

The government's complete bungling of the housing situation over the years has forced many Canadians further and further away from the cities in search of reasonably priced land for their accommodation. Here again this tax will fall directly upon them. I had a letter just the other day from a constituent who pointed out that he had to travel 80 miles a day to and from his place of employment. If you figure 20 miles on a gallon of gas, it just shows how much extra money he will have to spend on getting to and from his place of employment.

An hon. Member: How much?

Mr. Patterson: Surely to goodness you have the competence to figure it out in your head.

Mr. Corbin: Say it.

Mr. Patterson: As we consider this particular aspect, we realize that this measure will not conserve gasoline, if that is the reason for the imposition of this tax. I do not believe it is. I believe it is just a matter of getting some more money. If there is any justification in the claim that has been advanced that this tax will conserve gas, let me point out that it will not conserve gasoline because that man will still have to drive to and from work, but he will have that much less with which to buy food for his family. So the whole situation is ridiculous.

We find now that people are being forced, because of government policy—the Minister of State for Urban Affairs (Mr. Danson) is here in the House tonight and I am sure he realizes this—and because people will have to move farther and farther away from their place of employment in order to find accommodation, to become more dependent upon energy in the form of gasoline. So this tax will fall upon them in a very real sense.

It is all very well for the Minister of Finance to talk cavalierly about people cutting down on their driving and switching to public transportation, but this has no relevance to Canadians who live out in the fringe areas of the cities. Here we come to another area of hardship imposed on the people of this nation, that is, the lack of protective and efficient rapid transit systems in our cities. Some may say that this is not relevant to the bill before us, but it certainly is because the minister and the government said, "Let them find other means of transportation". But there is no other form of transportation. An automobile today is not a luxury; it is an absolute necessity.

Mr. Herbert: It depends on what you drive.

Mr. Patterson: I did not hear that interjection.

Mr. Baker (Grenville-Carleton): You did not miss much.

Mr. Patterson: I do not worry about them. I am saying there is no other mode of transportation, and these people will have to use their automobiles and will have to use gasoline. So the minister comes along now and says, "Too bad, folks, you are using too much gasoline to drive back and forth, you will have to walk now". This places him in a position beyond reason altogether, and the imposition of his tax will add an additional burden on the people.

I have in my hand a document which I received in the mail entitled "Notes for a Speech by the Hon. Herb Gray, P.C. M.P. to a meeting of the Ottawa Kiwanis Club, Chateau Laurier, Ottawa, Friday, July 4, 1975". I would like the privilege of putting a paragraph or two on the record. It reads:

The Minister of Finance stated the purposes of the excise tax are to encourage conservation of petroleum energy and to provide additional government revenues needed to make up the deficit in the program to cushion eastern Canada against the burden of paying the full world price for the oil it has to import—

As a conservation device, the new excise tax in unrealistic and is also unfair to millions of Canadians. It implies a government view that Canadians who use their cars to travel to work, for essential family purposes like food shopping and visits to physicians, can turn to alternative forms of public transit instead.

By allowing a rebate of the tax to those using cars for so called commercial purposes (basically those who can deduct the cost as a business expense) the government is implying that all other use has elements of frivolity and be cut down easily or that rapid transit can be a realistic substitute for it. There may be some element of discretionary use which can be reduced—people can cut down perhaps on pure pleasure trips and the recreational use of snowmobiles and boats. But for millions of Canadians who have little or no opportunity for this type of activity because of their already hard pressed incomes, there are no alternatives to continue using their cars as before and therefore to paying the tax.

Mr. Alkenbrack: Stay home and drink wine.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): That is a great platform. You can run on that one.

Mr. Patterson: For the edification of the minister I would like to quote further from this statement. The hon. member for Windsor West (Mr. Gray) said:

Contrast this with the transportation policy in the election platform of a year ago. In it were a number of clearly spelled out commitments to specific federal government action—action to bring about the speedy development of urban rapid transit.

However, the government's recent transportation policy document did not even say (as it might have) that the government continues to hold to these commitments, but has reluctantly come to the view they would have to be carried out over a longer period of time.

Where is the 100 per cent support for the imposition of this tax to which reference was made in debate a short time ago?

Mr. Epp: Whose statement did you read from?

Mr. Patterson: It was a statement by the hon. member for Windsor West.

Some hon. Members: Oh, oh!

Mr. Patterson: By the way, talking about rapid transit, may I say that during the election campaign I was amazed to read in the paper or hear over the news a statement by the right hon. Prime Minister, who said that a rapid transit system would be implemented through Fraser Valley, B.C.

Some hon. Members: Oh, oh!

An hon. Member: Run by beavers.

Mr. Patterson: I was reminded of the statement he made right in this House that he would do everything he possibly could to help his friend—

An hon. Member: Gerry Pringle.

Mr. Patterson: The gentleman whom I had the privilege of dethroning in the last election.

Some hon. Members: Hear, hear!

Mr. Patterson: The Prime Minister said that he would do everything he possibly could to help his friend in Fraser Valley East. I suppose that was a promise pulled out of thin air, and I do not believe there was ever any intention to implement that policy. I must say that the Prime Minister's friend has gone to his reward.

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member but I should point out to him that we are now discussing Bill C-66, an act to amend the Excise Tax Act.

● (2130)

Mr. Patterson: I am conscious of that fact, and I am talking about the Prime Minister of Canada making the statement that he would put in a rapid transit system in my riding to facilitate travel, and the ministers are now saying that people have to go to that type of operation in order to conserve energy and not to use automobiles. With all due deference, I would think this is very relevant to the issue we are debating.

Some hon. Members: Hear, hear!

Mr. Patterson: In passing I wish to point out that the gentleman to whom the Prime Minister made reference has gone to his reward, or come to his reward, because like all good Liberals who were defeated, he is finding a job provided by the government, as are some of the others who were appointed just recently.

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

[Mr. Patterson.]

Mr. Patterson: There is my hon. friend over there again. It is good to hear his voice even though he does not say anything.

In his budget speech the minister referred to the fact that even with a 10 cents tax per gallon added on, Canadians still pay less for their gas than people in countries like France, where the price is $2; Tokyo, where it is $1.80; London and Geneva where it is $1.70; and Bonn and Stockholm where it is $1.60. What in the world has that to do with the price of gas in Canada?

Mr. Kempling: It's 15 cents in Saudi Arabia.

Mr. Patterson: I cannot see any relevance in those references.

Mr. Dionne (Northumberland-Miramichi): Oh, oh!

Mr. Patterson: We hear again from our friend, the hon. member for Northumberland-Miramichi. We are glad to hear from him even though he makes no sense.

If Canada were a small nation like the ones referred to by the minister where even on our old 50 mile per hour trains we could get from one end of the country to the other in eight hours or so, I am sure Canadians would get by with a 10 cents per gallon increase, but none of those countries have a 300 mile per hour train, and the fact is that those countries are so small that one can go anywhere in them in a very short period of time.

I had the privilege of going over to Marville, France, some years ago. I wanted to see a friend, and I asked a question of the officers in charge. I asked them if my friend was there, and they said that he was over in Holland for the weekend. Later I went back again and asked if my friend was around. I was told that he was in Spain for the weekend. Here we have a reference to the price of oil in countries where people can go wherever they want in a very few hours, whereas in Canada hundreds and thousands of miles are involved.

This tax will not conserve gasoline. It will not make Canadians cut down their use of the automobile, simply because they must travel that way. This tax will further increase the inflationary spiral. Now that we are supposed to wrestle inflation to the ground, the minister slaps on another tax which will add perhaps 1½ percentage points to the cost of living. I wonder if that is the kind of rationale the minister is accustomed to using. The tremendous increase in the cost of living has been pointed out by the hon. member for St. John's East (Mr. McGrath). In other countries the inflationary spiral is declining, but at a time when in Canada the rate is increasing the minister imposes a new 10 cents tax on gasoline.

What effect will this have on wage demands? If workers have to pay an extra 10 cents per gallon for gas to get to work, they will say that they need higher incomes and that they need to go on strike to get them or they will lose ground. So there is a pressure exerted for higher wage settlements.

This tax will place an increased load of work upon businessmen. Those who are using their automobiles are to receive rebates. How much more work will they have to do? How much added cost will there be for these people? They are overloaded now with work they are doing for the

government. Right across the country they are saying they are doing much work for nothing because the government is imposing this and that, and requiring forms. These people are spending much of their time doing work which does not increase their income one cent, but it adds to their cost of operation.

If this tax is not for conservation, the government says it is to subsidize the price of gasoline. My leader and my colleagues have already placed our position on the record. While all parties have agreed that there should be one price for gasoline across the country, there are different ways in which this can be done.

Mr. Turner (Ottawa-Carleton): How would you do it?

Mr. Patterson: We have equalization taxes. Western Canadians are saying that they are already paying millions of dollars to equalization funds, and they are not complaining, but this is something which should be borne by all taxpayers and by society as a whole instead of having the burden of responsibility placed upon those who must use their automobiles for transportation in order to make a living.

Some hon. Members: Hear, hear!

Mr. Patterson: If the minister wants more money, why does he not cancel, for example, Information Canada?

Some hon. Members: Hear, hear!

Mr. Patterson: If he wants to save money and use it for other purposes, why in the world is he trying to set up Petro-Can?

Some hon. Members: Hear, hear!

Mr. Patterson: I believe he knows as well as anyone else that private enterprise can operate a business better than can a government.

Some hon. Members: Hear, hear!

Mr. Patterson: What about the continued growth in the public service, in spite of the fact that the government says it will reduce it or hold the line? What about unemployment insurance deficits? The government claims it will solve the unemployment problem, but it is because of government policies that unemployment rates are as high as they are. This is another problem the government has created, and for which it is now seeking some solution.

The amendment introduced by my leader certainly should be seriously considered by the government.

Some hon. Members: Hear, hear!

Mr. Patterson: The hon. member for Skeena (Mrs. Campagnolo) said that we do not want to make any decisions, and that we do not want to do anything; but we do not want to impose a further burden upon the working people of this country. We do not want to impose a further burden upon those who thought they would be able to enjoy their leisure years travelling around and seeing Canada, beautiful as it is. It is because we do want to do something that we believe the government ought to accept this amendment, give this bill at least a six months' hoist, and take another look at it.

Perhaps the government can come up with some measure which is far more reasonable and far more equitable as far as the whole nation is concerned.

Some hon. Members: Hear, hear!

● (2140)

Mr. Derek Blackburn (Brant): Madam Speaker, we have had one or two rather interesting speeches this evening.

Mr. Cullen: Two out of three is not bad!

Mr. Blackburn: I heard, for the first time, the hon. member for Skeena (Mrs. Campagnolo), who left me with the distinct impression that most of the poverty in this country is in northern Canada. There is no doubt that in northern Canada a great many people are suffering, principally because of the policies of the government.

We are speaking about Bill C-66 tonight. I do not know why people have to be penalized in their pocketbooks if they go to the riding of Skeena to live, or go to the Northwest Territories, or the Yukon, or northern Ontario, or any other part of northern Canada. I do not know why they have to be penalized to help develop the frontiers of this country. Yet the hon. member for Skeena, while she was very sincere in her remarks and said she was not happy with the 10 cents per gallon increase in the price of gasoline, did not really drive this point home.

One of the major weaknesses in the development of this country is that we do not have a government that will look to the north, and the northwest, and the northeast, and say that we have to put people into those parts of the country and therefore we must make special provisions for them to settle there without being penalized financially.

I should like to remind the hon. member for Skeena that in the province of Ontario where we are supposedly all millionaires—thanks to the Ontario Progressive Conservative government—

Some hon. Members: Hear, hear!

Mr. Blackburn: —there are over 350,000 families, not individuals but families, who tonight are living below the poverty line. That is a despicable thing considering the wealth of the province.

Here we have Bill C-66, and the amendment to hoist it for six months, that is again going to put a burden—not on me because I have a big income—bigger than I could get when I was teaching school although their salaries are coming up rather rapidly—that 10 cents per gallon is not going to hurt me. Who is it going to hurt? It is going to hurt average Canadians, those making $8,000 or $9,000 a year, or up to $12,000 or $13,000 a year. That is where the burden is going to fall. It is going to fall equally in monetary terms, but when it comes to coping with the problems of living today it does not fall equally. It falls in a most unequal way.

In trying to justify this budget the Minister of Finance (Mr. Turner) said repeatedly that the main reason for the tax was to acquire further revenues. We know on this side

of the House, and they know on the other side of the House, that this is not the major purpose. The major purpose is to work out some kind of common national petroleum policy.

Mr. Gillies: The major purpose is to penalize the poor.

Mr. Blackburn: As the hon. member for Don Valley (Mr. Gillies) says, its main purpose is to penalize the poor. I will not say it is the major purpose, but unfortunately that is what happens when this kind of tax is imposed.

Take physicians, for example, I do not oppose the fact that physicians have a write-off on their cars and an exemption if they use their cars in their day to day work. We know, however, that a lot of doctors make very few house calls today. They do make some, but usually the patient goes to the surgery or the hospital. Yet doctors can deduct this 10 cents per gallon, and they can claim a high depreciation on their cars. If a doctor lives in a large city and is not ashamed to drive a Cadillac or a Lincoln and changes his car every year, the amount of depreciation is immense. We have had that under successive Liberal and Conservative governments since income tax was first introduced.

Mr. Turner (Ottawa-Carleton): That was in 1917.

Mr. Blackburn: Right. But what about the working man or woman today who has to drive to work? A car is an absolute necessity in most of our cities, particularly the middle sized cities. It is also a necessity in rural areas where people might have to drive 15 or 20 miles each way to go to work. But they neither get a write-off for that ten cents a gallon excise tax nor a depreciation allowance on their automobiles. I dare say they put a lot more miles on per day, however, than the physician who goes from his home to his office.

When is this kind of thing going to change? When are we going to realize that while we are not all equal when it comes to ability, or ambition, or intelligence, we are equal before the law and deserve the same kind of treatment based on equality when it comes to taxation? The problem today is that the Liberal government still has not come to grips with this kind of equality.

We have talked about how this tax will affect home heating fuels, and we realize that natural gas is going up in price. We are living in a very high inflationary period and yet we have in this budget and this bill an inflationary spiral built in. I do not know why the Minister of Finance would bring in a bill at this time that would increase the cost of living by about two percentage points. We are paying $2.20 for a pound of bacon, and over a dollar for a dozen of eggs, and these are basic commodities. A modest apartment in the city of Brantford for a family with one or two children cannot be had for less than $150 or $160 per month.

We have unemployment, and certainly this bill will not help that problem. By next January we will probably have in the neighbourhood of 900,000 or maybe even a million people out of work in this country.

What does it all add up to, Madam Speaker? We were expecting the budget and this bill in particular to relieve the inflationary spiral, or at least reduce it, and we were also looking for measures to put Canadians back to work. In this bill we are to get neither. We have before us a typically hodge-podge, band aid approach—"If you can solve a little part of the problem now, wait for another three or four months and see what happens".

● (2150)

That is not the way to approach the problem. We need to plan our onshore economy, that is, the economy of this country, in such a way that we do not suffer from these ups and downs, from periods in which there is high inflation and high unemployment at the same time, and from periods of boom followed by periods of bust. There is no indication that Bill C-66 will even out the business cycle of this country. I am not talking about the effects of offshore inflation, or of offshore foreign economies. I am talking about this country, about our problems in urbanization, problems to do with rents, mortgages and housing. This budget does little for housing.

I want to address myself to other aspects of Bill C-66. This bill actually touches on the nub of the problem confronting this country. We are trying to fight inflation but, at the same time, we are adding to it. We are forcing, not just a few Canadians, not just wealthy Canadians, not just middle income Canadians, but all Canadians, the great majority of whom are low and middle income earners, to pay more for a commodity which comes from our country's own soil, which is produced by Canadian workers, and which is largely financed, and could be entirely financed if we went the right way about it, by Canadians.

The opposition party to my right and the Liberal party have always drawn across our path that good old red herring that the inflation rate of Great Britain is 25 per cent, of Italy, 17 per cent, and so on. The people of Canada are not buying this argument any more. If we had to rely on Italy or Great Britain for our oil, O.K.; what could we do but pay their prices? But we have the oil; we have great potential for oil in the tar sands. We need not pay $2 per gallon for gasoline. We need not pay what we pay right now. Members talk about what they must pay in northern Canada. I assure you, Madam Speaker, that in southern Ontario, where gasoline prices supposedly are lowest, you will pay between 78 and 82 cents a gallon, depending on where you buy.

An hon. Member: You should see the prices on Highway 401.

Mr. Blackburn: The hon. member refers to prices on Highway 401. No doubt those prices are high, but perhaps you could drive a few miles off the highway and buy cheaper gasoline.

The difficulty is that we don't know how to handle our own resources. We can develop them, yes, if we beg foreign corporations to do this. The problem lies in the distribution of our national resources. The government's excuse for imposing this excise tax is that it supposedly wants to conserve oil, whereas, in reality, it wants to create revenue; and I say the people of Canada are being had. I think the people know it.

I have been a member of this House for going on five years; I know many members have been here longer. Granted this is a political forum, this is the place to

declaim and to exude confidence. I have always been under the impression that the Liberal party thinks of itself as representing both God and the majority of Canadian voters. I do not know much about God, but I remind my Liberal friends and adversaries in this House, you do not represent, electorally, the majority of Canadians. We, on my side, represent the majority of Canadian voters. You should keep that in mind when you bring in bills like Bill C-66. You seem to think that you can bring in a bill three years before an election, stuff it down our throats, and then feel justified in being angry with us for holding up its passage. You accuse us of blocking the legislation.

Is it any wonder the people of Canada are becoming disillusioned with the electoral and parliamentary process? Is it any wonder that we are debating at length this issue? I don't care what you call it; I will stay here all next month, if necessary, and all September, if I think I can hold up this bill, or if we can pass the amendment to hoist this bill for six months. And when it comes forward again in the House, we will want to hoist it for another six months, if possible.

It is an iniquitous bill. It is unfair, and is unfair to people that you, on your side of the House, represent; and do not forget it.

Hon. members opposite try to leave the impression that they are not getting flak from their constituents. Let me tell you something: they are getting more flak from their constituents than we are from ours. But they will not stand up to admit it. They have to kow-tow to the cabinet.

An hon. Member: Pure demagoguery.

Mr. Blackburn: That is what that great solidarity of their means. They cannot stand up and really say what they want to say on the bill.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): On a point of order, Madam Speaker, I wonder if we can confirm if we are to consider this bill tomorrow, as there was some question about this earlier today.

Mr. Turner (Ottawa-Carleton): Madam Speaker, I understand that we are to consider this bill tomorrow, subject to discussions which my colleague, the House leader, may have with the House leaders of the other parties at ten o'clock tomorrow morning, in which case, if there is any mutual consent, there might be a change.

Mr. Paproski: We can stay here to the end of September, if you want to.

Mr. Knowles (Winnipeg North Centre): I thought we were to consider the recess tomorrow.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GOVERNMENT ADMINISTRATION—ALLEGED LEAK OF CABINET DOCUMENT—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, the subject I am proposing for debate on the adjournment motion relates to a question I raised in the House on May 28. Then I requested some information from the President of the Privy Council (Mr. Sharp) regarding an incident that took place on May 6, 1975, when a secret cabinet document was exposed to officials of the National Indian Brotherhood and subsequently found its way into the hands of the national press.

I raised this matter originally because the occurrence I spoke of was similar to one of about two years earlier. The earlier incident took place on October 5, 1973. The situation was identical, and resulted in the firing of a senior official, Mr. Walter Rudniki of the Central Mortgage and Housing Corporation, his secretary, and other officials of the department.

May I enumerate the events involved in these two incidents? In December, 1974, a meeting was held between representatives of the National Indian Brotherhood, and the Department of Indian Affairs and Northern Development, for the purpose of reviewing Indian housing. At that meeting the Brotherhood submitted their proposal for a new housing policy, and the commitment to the consultation process was re-affirmed to the National Indian Brotherhood at that time.

● (2200)

On September 20, 1973, a meeting was held between the National Assembly of the Native Council of Canada and Central Mortgage and Housing Corporation. At this meeting the National Assembly of the Native Council presented their proposals on Metis housing and obtained commitments to a consultation process. Mr. Leseaux, deputy minister, wrote to the National Indian Brotherhood committing the Minister to a consultation process subsequent to the meeting of December 1974.

In March two representatives of the National Indian Brotherhood met with the minister to discuss Mr. Leseaux's letter of January 15. During this meeting the National Indian Brotherhood asked for funding for a consultation process on housing with their provincial associations, and insisted on further meetings to discuss the housing proposals in detail. The minister agreed that no action would be taken to place the housing proposals before cabinet until there were further meetings with the National Indian Brotherhood. This is almost identical to the commitment made by the Minister of National Revenue (Mr. Basford).

A draft cabinet document was prepared, mostly in Central Mortgage and Housing Corporation, and was ready by April 2, 1975. It was reviewed between the minister and his

senior officials and apparently approved by him. The Minister of State for Urban Affairs (Mr. Danson) signed the original of this cabinet document and forwarded it to the Minister of Indian Affairs and Northern Development (Mr. Buchanan) with a covering letter dated April 3. In this letter he indicates that both ministers had discussed the document the previous week, presumably an earlier draft, that some revisions had been made as a result, and suggests that both ministers should meet again to review the manner in which the presentation to cabinet should be made.

In the case of the Metis housing draft policy, it had not been reviewed with the minister or signed by him, although he had a copy at the time of the consultation meeting on October 5, 1973.

On May 6, 1975, a consultation meeting was held including representatives of Central Mortgage and Housing Corporation, the Department of Indian Affairs and Northern Development, and the National Indian Brotherhood. The representatives from the Department of Indian Affairs and Northern Development were Arthur Kroeger, the deputy minister, Peter Leseaux, the assistant deputy minister, and Bob Connelly.

The Central Mortgage and Housing representatives were Alain Nantel, vice-president, and Sam Cormier. There were 11 representatives from the National Indian Brotherhood, including George Manual, the president. At this meeting the provisions of the draft cabinet document were reviewed in detail and copies were distributed to the representatives of the National Indian Brotherhood to take away for study. The deputy minister of the Department of Indian Affairs and Northern Development chaired the meeting.

The draft proposals on Metis housing were similarly distributed to the Metis consulting group on October 5, 1973, by a junior member of CMHC who presumably thought he was acting with the sanction of the president of Central Mortgage and Housing Corporation and the minister. In this case, however, the papers did not leave the room.

The situation currently is that the National Indian Brotherhood have rejected many of the proposals in the joint Central Mortgage and Housing Corporation and the Department of Indian Affairs and Northern Development policy draft. The National Indian Brotherhood object to placing their housing needs at the tender mercies of Central Mortgage and Housing Corporation priorities which, in the past year, have done little or nothing for Metis housing. The National Indian Brotherhood suspect that the proposals are simply a device for the Department of Indian Affairs and Northern Development to dilute responsibility for future failures throughout the public service so that they, themselves, will not be such a large target.

Indian housing policy is still under development. The question which is relevant now is whether this will continue to be done in consultation with the National Indian Brotherhood or whether the Minister of Indian Affairs and Northern Development will try to force an unacceptable housing policy down the throats of the Indians. He should at least be prepared to present the Indian point of view to cabinet.

[Mr. Oberle.]

In terms of the parallels in the Indian and Metis consultation process, there are a number of interesting questions that remain unanswered. First, can the incident involving the joint review by the Department of Indian Affairs and Northern Development, Central Mortgage and Housing Corporation, and the National Indian Brotherhood of a draft cabinet document on Indian housing on May 6 be viewed as a new departure by the government from its former excessive preoccupation with the confidentiality of such documents?

Secondly, if the government has not introduced a new policy with respect to the preparation of cabinet submissions, is it contemplating disciplinary action against officials of the Indian affairs department and Central Mortgage and Housing Corporation?

If such action is not being contemplated, could the government explain the difference in the consultation process that has just taken place on Indian housing and the consultation process on Metis housing that was authorized by the previous minister and the president of the Central Mortgage and Housing in September, 1973? The issue here is both consultation and justice.

The late Lester B. Pearson, on October 25, 1963, stated the policy that that government and subsequent Liberal governments would follow in the area of cabinet secrecy. He laid out two points that would have to be followed, both of which were ignored in the first and second instances that I have outlined here tonight. As reported at page 4044 of *Hansard* for October 25, 1963, the right hon. gentleman said:

> The first of the new requirements is to inform the person involved when his security or reliability is in doubt and may have to involve his dismissal.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. gentleman but the time allotted to him has expired.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, in replying to this question I should perhaps point out at the outset that a document does not become a cabinet document until it has been approved by the responsible minister, signed by him or her, and forwarded to the Privy Council office. The document being distributed at the meeting with the National Indian Brotherhood is not of this character. Each copy was clearly marked "Draft—for discussion purposes only".

The action taken by departmental officials in distributing the draft document had been explicitly authorized in advance by the Minister of Indian Affairs and Northern Development (Mr. Buchanan). It was the objective of the minister and departmental officials to make the meeting as productive as possible, and for this purpose they thought they should take Indian representatives fully into their confidence. It was also anticipated that, after examining the draft document, the National Indian Brotherhood would wish to suggest changes and improvements in it.

Discussions with the National Indian Brotherhood have not yet been concluded. The nature of any proposals that the Minister of Indian Affairs may decide to submit to cabinet therefore remain undertermined. In view of the

explanation I have just given I think the hon. member will agree that the issue of a release of a secret cabinet document does not arise in this case.

Mr. Oberle: Would the hon. lady allow a question?

The Acting Speaker (Mrs. Morin): Order, please. There can be no question, point of privilege, or point of order at this time.

ADMINISTRATION OF JUSTICE—SUGGESTED REPRESENTATIONS TO QUEBEC MINISTER OF JUSTICE CONCERNING TREATMENT OF DR. MORGENTALER

Mr. Stuart Leggatt (New Westminster): Madam Speaker, this matter arises from a question that I asked the Minister of Justice some time ago in which I requested that he intercede in the case of Dr. Henry Morgentaler of Montreal. In addition, and perhaps more important, I asked that consideration be given under section 680 of the Criminal Code to granting a full pardon, or that at the very least exceptional parole be granted in the case of Dr. Morgentaler.

● (2210)

I raised this point not out of any sense of partisanship or out of any differences we may have in this House over the question of abortion. I raised it because of the minister's admission—through the amendments which were introduced in the House today and promised a short time ago, amendments on which I congratulate the hon. gentleman, removing, as they do, what he calls an anomaly in the Criminal Code which allows a court of appeal to superimpose its own verdict over that of a jury without referring the case back for trial—that there was a situation which needed to be remedied.

The fact is that Dr. Morgentaler, regardless of the view one might take about the case, continues to sit in jail in Quebec as a direct result of this anomaly. And when the Minister of Justice (Mr. Lang) says to the House that he is guilty, the hon. gentleman—I say with the greatest respect to him—shows a misunderstanding of the traditions of English justice. When a jury of one's peers, not once, but twice, acquits someone who comes before it, it has rendered a judgment in that community, and the person concerned is not only entitled to the benefit of that verdict, he is entitled to the position which it gives him among the rest of the citizens.

In this particular case, such was not to be. No special consideration has been given to the fact that in spite of the government's admission that there is an anomaly in the law, and that we cannot permit a situation to prevail in which a court of appeal is able to superimpose its own judgment as to facts over that of a jury, no provision has been made for exceptional parole, or a pardon, or a new trial under Section 617 of the code.

This, I think, is tragic for all of us who respect the law, who respect the ancient democratic process which has been so important in British and Canadian jurisprudence, namely, that one can be tried, not by one's superiors, not by the elite, not by judges, but by 12 good men and true who can decide on the facts. This is what is being denied in this case, and it is fundamental to our system of justice that the situation should not prevail. As long as we allow this man Morgentaler to remain in jail we are denying our democratic heritage, and that is a mark of shame upon this government.

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, rather remarkably the hon. member's question seems to indicate that he is completely unaware of the fact that the provincial attorneys general are responsible for the administration of justice. That responsibility, of course, includes all matters relating to investigating breaches of the criminal laws, the laying of charges, and appeals by the Crown. I can only suggest, therefore, that if the hon. member is in fact serious in asking his question, he should not try to confuse this issue in the minds of the public by suggesting the federal government is in any way involved in the case, but should direct his query to the attorney general of the province concerned.

The hon. member also seems to have some difficulty in remembering that, in keeping with the traditions of this House, cases before the courts are not discussed. The reasons are clear and hardly need elaboration, even for the hon. member opposite. But I would suggest to him that, in the interest of justice he keeps them in mind.

[*Translation*]

I should like to add for my hon. friend, and this is the first time I have the opportunity of saying this, that the people of Quebec have had their fill of those who intervene in the administration of justice. I can say that in the minds of the majority of Quebecers, Dr. Morgentaler defied the law. He bragged about have done do; he paid a just price for having thus shown contempt for our laws, as he boasted of doing. My hon. friend forgets that thousands of human beings disappeared because of the illegal acts of Dr. Morgentaler. May I bring my excellent friend to his senses and tell him that Quebecers feel that the administration of justice is a matter for the Quebec government; the vast majority approve that decision, though I recognize that it may not coincide with the opinion of my hon. friend, whom I respect; but I must say I also respect the opinion of the majority of the Quebecers I represent here in the House of Commons, as well as all Canadians.

[*English*]

ROYAL CANADIAN MOUNTED POLICE—SUGGESTED REFERENCE OF STATUS OF SECUREX AND DISCHARGE OF OFFICERS BRUNET AND McLEERY TO JUDGE MARIN'S COMMISSION

Mr. Elmer M. MacKay (Central Nova):) Madam Speaker, I appreciate the fact that the Solicitor General (Mr. Allmand) is here tonight to take part in this debate. As he is well aware, many questions have been asked in committee and in this House up to this point about the pure injustice in the case of two former policemen, namely, Don McCleery and Gilles Brunet.

I understand that the Solicitor General has been preoccupied with other issues these days, including capital punishment. However, I am becoming annoyed with the apparent inability in this particular instance to take control over the situation and find out from the responsible officials of the RCMP the truth of the circumstances,

background, and considerations that exist in the matter of Messrs. McCleery and Brunet. I would also be very interested in asking the Solicitor General at this point how many other such instances have come to the attention of his office since he assumed his portfolio. But we can perhaps pursue that at another time.

I would suggest to the Solicitor General, without going into excessive detail, that many of the problems in which McCleery and Brunet were unfortunate to find themselves were caused by a misunderstanding and arbitrary approach by certain RCMP officials in their particular case.

The minister was neither right nor very careful in his answer to me a couple of days ago when he said that McCleery and Brunet were before Judge Marin's commission, implying that the purpose for which they were there had to do with the issues I raised. In point of fact, as the Solicitor General will discover if the checks carefully, Brunet was never before Judge Marin. McCleery was, but his purpose, as I understand it, was to outline some of the deficiencies and injustices in the way in which members of the force were treated, presumably to prevent others being treated like he was. McCleery felt then, and must still feel, that it is a simple matter of justice that members of the RCMP be afforded protection and a chance to have a fair hearing and answer any charges made against them.

If the Solicitor General is as concerned with matters of conscience and philosophy as he maintains he is, and I believe he is, he should want the people of Canada to believe that he would be interested enough and have sufficient control over his department to make sure that this matter, which may be a continuing injustice, is resolved.

He ought to realize the paradox in expecting police officers to have the proper attitude for the rights of others and to uphold our laws when they themselves are not afforded the same rights as other Canadians in matters of fundamental protection for themselves.

● (2220)

I say to the minister sincerely that unfortunately it is becoming apparent that he is not running his department, that his department is running him. He is not giving the guidance and direction to the RCMP that a man in his position should. If there is any department of government that the people of Canada cannot afford to have running itself, it is this particular department over which the Solicitor General has jurisdiction.

I am further suggesting to the minister and to the House that the one reason Messrs. McCleary and Brunet were ultimately discharged—although no one has yet had the decency to give them their discharge papers, which I believe in itself is contrary to the RCMP Act—is that no one on the force would take the responsibility of issuing the proper orders to either one of these gentlemen to cease the so called activities which were used as a justification for their discharge.

To be more specific, when assistant commissioner Gorman, as he then was and still is, made his investigation which finally led to their discharge pursuant to section 173 of the RCMP Act, he first recommended that they be transferred. However, a series of events changed the attitude of the force and led to the unfortunate situation which now exists.

It is also interesting that, at the time of the investigation, assistant commissioner Gorman refused to give an order that these two officers should have had, if that indeed was to be a serious offence, to desist from any contact with Mitchell Bronfman. Mitchell Bronfman, by the way, was on occasion of some assistance, and may still be, to the security service division of the RCMP, a fact which the minister can easily determine if he wishes to check the proper records. But that is another story.

The national crime intelligence unit, which either lacks the basic understanding of the situation or did not interpret it properly, amassed a lot of information which was and is demonstrably false, unsupported and speculative, and will not stand up to any competent and impartial analysis.

The investigation concerned more than simply the alleged misconduct of Brunet and McCleery. It involved, among other things, the true status of Mitchell Bronfman. The investigation at times assumed almost a comic opera atmosphere. Superintendent Marcoux flew to British Columbia on a supposedly ultra secret mission to check into certain aspects, and I suppose he was quite perplexed when he came back to Ottawa when he received a call from Brunet asking him how the weather was in British Columbia.

I would think that even in an organization which, justifiably, is not known for having a sense of humour, this should have brought at least a smile to the officer's face, but apparently this was not the case judging from what happened as a result.

I suggest that up to the point that Gilles Brunet telephoned superintendent Marcoux on this occasion the worst that was slated for him was a transfer to Newfoundland—Grand Falls as a matter of fact—which apparently was going to be sufficiently distant from the baleful influence of his associate, Don McCleery, who was slated to be transferred at the same time to Moncton, New Brunswick.

However, because of Gilles Brunet's telephone call to see how the investigation was proceeding—an investigation which concerned him—and about Don McCleery about whom he had no word for weeks, because of the audacity of this simple act which was the only recourse he had under the circumstances, and he was understandably curious, I am suggesting that was one reason why what was supposed to be a transfer, and perhaps a rap on the knuckles, turned into a discharge from the force with tremendous consequences and implications for these men. I therefore feel responsible for directing questions to the minister on the status of the company which they are using as a vehicle, and which also involves Mitchell Bronfman.

I see you are indicating that my time is up, Madam Speaker, so I will finish briefly by suggesting to the Solicitor General that he make every effort to look into this matter on a more factual and detailed basis and, if possible, as soon as we come back in the fall—if we have a recess—arrange for these gentlemen to come before the Standing Committee on Justice and Legal Affairs to give their testimony and tell us their story.

Hon. Warren Allmand (Solicitor General): Madam Speaker, unfortunately I was only given notice of the hon. member's adjournment debate question at 6 p.m., and consequently I am not able to give him as complete an answer as I would like.

In any case I must tell him that this matter was first brought to my attention near the end of 1973. I was approached by the attorney for Securex as well as the attorneys for Messrs. McCleery and Brunet. Although I did not know and have never met Messrs. McCleery and Brunet, it appeared to me that they were seriously pursuing their grievance and that they wanted to clear their name. As a result, I immediately looked into the case and determined to see if anything could be done for the two officers who had been dismissed from the RCMP under section 173 of the RCMP regulations. I was told that these cases had been fully investigated and that nothing could be done.

When a new commissioner was appointed on January 1, 1974, I approached him to have these cases reviewed. He later replied to me that he was fully aware of these cases and that he saw no grounds for reversing the decision of the former commissioner, and in any case there was no legal basis to do so.

Later, in order to pursue all avenues, I sought an independent legal opinion to determine whether the dismissal of the two officers was fully legal and in accordance with all the statutes and regulations of the force. I received an opinion that the dismissals were legal, and I wrote to their attorneys to give them this information.

In the fall of 1974, Messrs. McCleery and Brunet brought their case before the Federal Court and I re-examined it completely once more. Later the members decided to withdraw their cases and no decision was made by the court.

I should point out that the RCMP have maintained time and again that Messrs. McCleery and Brunet were properly dismissed and that they were ready to go to court to defend their behaviour, that is, the behaviour of the administration.

During the last two weeks I was approached once more by one of the principals in Securex and his attorney, and asked to look into this case again. They alleged that they were losing certain contracts because of allegations made against them. I promised them that I would look into this case once more, and I am doing so at the present time.

I will also look into the point raised by the hon. member that the two members have not received their dismissal papers. The commissioner of the RCMP tells me furthermore that the RCMP has never made a recommendation against Securex.

The hon. member asked me if any other cases of this nature had ever come to my attention since I was appointed Solicitor General, and I must say yes, there have been cases of this nature, and it was for this reason that I established the Marin Commission to investigate the whole matter of discipline and related procedures within the RCMP. I must point out that the Marin Commission was not appointed to review individual cases but to review the entire disciplinary procedures, and we will expect a report in the fall.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock a.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, July 18, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMUNICATIONS

CABLEVISION—PROPOSED FEDERAL-PROVINCIAL CONFERENCE ON GRANTING JURISDICTION TO PROVINCES—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to present a motion dealing with an important and urgent matter.

Because the present imbroglio about jurisdiction over telecommunications threatens to lead to conflicts, the consequences of which could be serious for the country, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the government immediately order that a federal-provincial conference be held on the constitution for the purpose of sharing definitively provincial and federal jurisdiction over telecommunications.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SUGGESTED DISCONTINUANCE OF ATTEMPTS TO TRANSFER CRUDE OIL FROM LARGE TANKER TO SMALLER ONE AT HALIFAX—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise pursuant to Standing Order 43. Inasmuch as the renewed attempt by Imperial Oil to effect a transfer of the crude oil cargo from the Esso *GOA* to the Imperial *St. Clair* at the entrance of Halifax Harbour today poses unprecedented and unnecessary risk to the environment, made all the more real by their failure to effect such transfer yesterday under almost ideal conditions; and, in light of the imminent exhaustion of existing fuel energy supplies which will bring about real havoc in all segments of the economy of Atlantic Canada, I move, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That this House instruct the responsible authorities to bring an end to this very dangerous exercise and instruct the principle negotiators to return to the table with the Atlantic Pilots for the purpose of resolving the very narrow 3 to 4 per cent differences between the two parties.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the motion to be presented. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

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AIR CANADA

PROPOSED CHANGE IN EXECUTIVE STRUCTURE OF CORPORATION TO ACHIEVE EFFICIENCY IN OPERATIONS—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in view of the collateral matters being revealed during the course of Chief Justice Estey's inquiry into the financial affairs of Air Canada and the increasing evidence that the top executives of our national air carrier are either unable or unwilling to follow the enabling statutory guidelines which set out Air Canada's specific authorization and terms of reference for doing business as a Crown corporation authorized by this Parliament, the latest such instance, Mr. Speaker, being a confidential agreement with the Tourism Minister of Lebanon for the promotion of Air Canada in that country, a matter which has diplomatic overtones, the unusual nature of which is well illustrated by the quote from John McGill, Vice-President of Air Canada, who allegedly said: "I don't understand the mores and morals of the Middle East"—obviously, Mr. Speaker, it is not only the Middle East that the executives of Air Canada do not understand—I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House instruct the Minister of Transport, entirely apart from the report of Chief Justice Estey which will be tabled in due course, that there is now sufficient evidence that the minister make immediate changes at the top level executive structure of Air Canada to assure that management conducts the airline's affairs in a way that will be businesslike, and within the statutory authority granted by Parliament and in accordance with accepted international procedures, so that Air Canada may be a credit to Canada in every respect.

Mr. Speaker: Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1110)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SALE BY WEST GERMANY TO BRAZIL OF NUCLEAR MATERIALS—ADEQUACY OF SAFEGUARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Secretary of State, in the absence of the Secretary of State, relating to the sale being negotiated by West Germany to Brazil of a very large package of nuclear facilities, materials, reactors, enrichment facilities and separation plants. In view of the controversial nature of this sale and safeguards surrounding it, can the Acting Secretary of State or the Prime Minister say whether the government of Canada has inquired from its friendly ally, West Germany, what the safeguards are relating to this arrangement?

Mr. Trudeau: The hon. member wishes to direct his question to the Secretary of State for External Affairs, not the Secretary of State.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): I think the Leader of the Opposition inadvertently directed his question to the wrong minister, but I will answer it. I gather it was directed to the Acting Secretary of State for External Affairs. The government has had some discussions with Germany about co-operation in applying safeguards. We have had very good co-operation on that.

Mr. Stanfield: My supplementary question is directed to the same minister or to the Prime Minister. Has the government of Canada, through its responsible minister, whoever he may happen to be, inquired from our friendly and presumably responsive ally, West Germany, as to the safeguards surrounding this contract for nuclear facilities and materials?

Mr. Sharp: It is my understanding that the German government believes it is establishing safeguards that are in full accord with international standards.

Mr. Stanfield: Mr. Speaker, I wonder if I am being offensive in asking the Acting Secretary of State for External Affairs to answer my question. Has the government of Canada inquired as to specifically what these safeguards are that West Germany proposes for this arrangement? I ask this question particularly because the United States has protested against those safeguards being indequate. I therefore ask whether the government of Canada has even inquired as to what specifically these safeguards are and, having obtained this information, has it made any comment on these safeguards to our ally, West Germany?

Mr. Sharp: I think I did attempt to answer this question. The government of Canada has had discussions with the government of Germany about the safeguards that it does apply on the supply of its technology to all countries, including Brazil. We have no reason to believe that they are not fully in accordance with international standards.

[Mr. Speaker.]

ADMISSION BY EXXON TO UNITED STATES SENATE SUBCOMMITTEE OF CONTRIBUTIONS TO POLITICAL PARTIES—SUGGESTION CANADA REQUEST COPIES OF DOCUMENTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. Since Imperial Oil of Canada, in conjunction with the hearings of a committee in the United States senate, acknowledged recently that they had given more than $1 million to three political parties in Canada, and since Exxon, the parent firm in the United States, has acknowledged that millions of dollars were given by them to political parties in Italy for the express purpose of obtaining tax concessions and other legal benefits, would the Prime Minister request our embassy in the United States to obtain for Canada all documents and testimony on this subject from the U.S. senate subcommittee looking into multinational corporations?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly relate that question to the Secretary of State for External Affairs.

* * *

CONFLICT OF INTEREST

DONATIONS BY IMPERIAL OIL TO POLITICAL PARTIES—REQUEST LIBERAL PARTY MAKE PUBLIC AMOUNT RECEIVED

Mr. Edward Broadbent (Oshawa-Whitby): Considering that a senior official of Imperial Oil of Canada acknowledged at a recent stockholders meeting in Toronto that his company has been giving money for a number of years to political parties in Canada supporting this company's political philosophy, and considering that the Election Expenses Act came into force only last summer, would the Prime Minister undertake on behalf of this party to make public the total amount of money the Liberal party has received from Imperial Oil and other oil companies during the period from 1968 to 1975?

Right Hon. P. E. Trudeau (Prime Minister): I have answered that type of question many times and indicated that it was in order to ensure that present and future donations were known that the Liberal party brought in the election expenses legislation a few years ago.

Some hon. Members: Parliament did that.

Mr. Trudeau: Of course; the first version of it was blocked by the opposition, but finally we got a version through about a year or so ago. We do not intend to apply this legislation retroactively.

INDUSTRY

IMPERIAL OIL—SUGGESTED INQUIRY INTO FINANCIAL OPERATIONS IN VIEW OF PARENT COMPANY'S ADMISSION OF POLITICAL CONTRIBUTIONS

Mr. Edward Broadbent (Oshawa-Whitby): I was asking the Prime Minister if he would follow the example of the Social Credit Party, which stated yesterday in a straightforward way the amount of money it had received in the past from Imperial Oil Company. However, in view of the fact that Senator Church's committee in the United States discovered from internal Exxon documents that political contributions were covered up in Italy by charging them to bookkeeping accounts labelled "fuel to power plants, natural gas imports, licences, taxes and deferred tax payments," and considering that Imperial Oil has only paid in taxes to the Government of Canada in excess of $12 billion in revenue in the past five years, an effective tax rate of only 6 per cent, I would like to ask the Prime Minister if he would inquire under the Inquiries Act and investigate all the financial operations of Imperial Oil of Canada during the past five years.

Right Hon. P. E. Trudeau (Prime Minister): I fail to see why the Leader of the New Democratic Party is talking about what happened in Italy. I suppose he could talk about what happened in ten or twenty other countries where Exxon operates.

Mr. Broadbent: It is a multinational, remember.

Mr. Trudeau: But if the hon. member wants to know about the Canadian practice, we answer across the floor of the House.

* * *

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR REASONS FOR HIGH PRICE OF SUGAR

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs.

Considering that the price of sugar is not subjected to any control in Canada, and because unexpected price fluctuations of this commodity tend to create confusion in the minds of the people concerning the true role the government should play in this area, could the minister indicate to the House, for the information of consumers, the reason behind the price instability of this commodity?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am taking this question as notice and will refer it to the Minister of Consumer and Corporate Affairs, so that he may reply to it when he returns to the House.

[*English*]

OLYMPIC GAMES

ALLEGED STATEMENT BY POSTMASTER GENERAL CONCERNING FEDERAL RESPONSIBILITY FOR DEFICIT—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. In view of the statement of the Postmaster General in Halifax that the federal government may have a moral obligation to cover any deficit incurred by the 1976 Olympics, would the Prime Minister clarify whether this view reflects current government policy with respect to the Olympic financing needs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think the moral obligations of the Postmaster General are those the government states in its policy, but I have not seen the statement of the Postmaster General. He is a very moral man, and he pleads that way in cabinet.

Mr. Baldwin: When was morality ever related to the Liberal Party?

Some hon. Members: Oh, oh!

Mr. Stevens: In view of the reference of the Prime Minister to morals, would he inform the House if indeed he shares the view that there is a federal moral obligation to finance the debt, and if so, how does he reconcile this position with his former "inretractability?"

Mr. Turner (Ottawa-Carleton): Try that word again.

An hon. Member: It is a medical term for "retract".

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I do not have to reconcile anything with my intractability.

Mr. Stevens: As the Postmaster General qualified his comment by stating that the deficit would only be covered if a majority of Canadians supported the action, would the Prime Minister indicate how such majority support might be determined? Is it planned to have a referendum and if so, as this is a matter of financing, would the Prime Minister also hold a referendum on the ten cents per gallon gasoline tax and see if a majority of Canadians support that?

● (1120)

Mr. Turner (Ottawa-Carleton): Next time, try it phonetically.

* * *

AIR CANADA

ALLEGED DEAL WITH LEBANESE MINISTER OF TOURISM—SUGGESTED QUESTIONABLE OPERATION—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in the absence of the Minister of Transport, I would address my question to the Prime Minister. In view of the latest

evidence that Air Canada has again moved into a quasi-diplomatic area by virtue of a recent promotional arrangement with the Lebanese minister of tourism, Mr. Khanamarian does the Prime Minister not agree that our airline is being operated in a bizarre and questionable way outside, in some respects, the authority given to Air Canada by the statutes passed by parliament?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member is apparently referring to some evidence which is being given before Judge Estey at a commission of inquiry. I have not been following that, but I do have confidence that Judge Estey will do his job properly.

Mr. MacKay: Mr. Speaker, I thank the Prime Minister for his answer. I also have great confidence that Judge Estey will do a very good job in his inquiry. I should like to put a supplementary. In view of the secrecy involved whereby Mr. Khanamarian's position as Air Canada's representative was not to be made known either to his cabinet colleagues or to the rest of the business community in Lebanon, would the Prime Minister not agree also that Air Canada's position in this matter would justifiably be looked upon as dishonest and there would be resulting diplomatic repercussions, since this rather shoddy deal involves our national air carrier and could bring disrepute not only to the Minister of Transport but to his cabinet colleagues, particularly the Secretary of State for External Affairs?

Mr. Trudeau: Mr. Speaker, I fail to see what line the hon. member is following. There has been a request for an inquiry into this matter. I think the minister anticipated the request and announced that an inquiry would be held. The opposition is frequently asking for a commission to inquire into many things. We have set up the inquiry. Let us see what it says. I do not think the hon. member should be conducting a parallel inquiry.

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FISHERIES

REASON FOR EXPLORATORY FISHING FOR SWORDFISH—POSSIBLE LIFTING IMPORT BAN ON SWORDFISH BY UNITED STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to address a question to the Minister of the Environment and the Minister of Fisheries. In view of the tender call for the charter of two vessels by the federal fisheries and marine service for exploratory fishing for swordfish during the months of July and August, could the minister indicate the reason for this exploratory work and inform the House if the United States food and drug directorate has lifted the import ban on swordfish as imposed some four years ago?

Hon. Jeanne Sauvé (Minister of the Environment): In the absence of my colleague the Minister of State in charge of Fisheries, I will take notice of that question and inform the hon. member.

Mr. Crouse: A supplementary question. In view of the economic importance of this industry at this time to Atlantic Canada, and in view of the tremendous economic difficulties being faced by the fishing industry, in Atlantic Canada, would the minister again contact her counterpart in the United States in the hope of reactivating this important industry, since the Japanese and certain European countries are still catching and eating swordfish without any obvious effect on their health?

Mrs. Sauvé: Mr. Speaker, the hon. member must know that the Minister of State (Fisheries) is at the present time trying to devise a policy and help out the restructuring of that industry. The concerns of the hon. member are certainly being taken into account in that over-all restructuring of the industry. I will, however, take this matter up with my colleague.

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NORTHERN AFFAIRS

MACKENZIE HIGHWAY—REQUEST FOR ASSURANCE CUTBACK OF PROJECT WILL NOT INTERFERE WITH NATIVE TRAINING

Mr. Doug Neil (Moose Jaw): Mr. Speaker, a question for the Minister of Indian Affairs and Northern Development. In view of the minister's statement in the House on Wednesday, July 15 regarding the slowdown of the construction of the Mackenzie highway and the speeding up of construction of the Dempster, Carcross-Shagway and Liard highways, can the minister assure the House that the construction of the Mackenzie highway will proceed in such a manner that there will be no cutback in the native training in that area?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is one of our major concerns. We are doing our utmost to assure that, if there is any phasing down on the Mackenzie highway, there will be opportunities available on the Liard highway to take up the slack for the native people.

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OLYMPIC GAMES

POSSIBILITY OF QUEBEC REQUEST FOR AID IN FINANCING DEFICIT—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is supplementary to the one put by the hon. member for York-Simcoe to the President of the Treasury Board. In view of statements made by Quebec Municipal Affairs Minister Victor Goldbloom to the effect that the province will attempt to renegotiate with the federal government further financial aid for the purpose of reducing the ever-mounting Olympic deficit, can the minister advise this House if the government has been approached in this regard?

Hon. Jean Chrétien (President of Treasury Board): No, Mr. Speaker.

COMMEMORATIVE GOLD COINS—STEPS TO PROTECT PUBLIC FROM CONFUSION AND COUNTERFEITING

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, may I direct a supplementary question to the Postmaster General? As there will be some confusion, owing to the minting of two similar gold coins bearing different weights of gold, and as there are indications that there will undoubtedly be attempts to confuse the consumer with foreign counterfeits, will the minister advise the House of the steps he intends to take to protect the Canadian public from counterfeit coins, and from the obvious confusion which the two gold coins will create?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the confusion will occur only in the minds of those lacking intelligence to distinguish between two distinct coins. If you want to buy coins, the safest way to protect yourself against counterfeiting or fraud is to know the people from whom you are buying the coins. Fortunately, the gold coins will be sold by chartered banks, accredited agencies and outlets across Canada and around the world. These outlets I think will provide maximum protection against fraud.

While I am on my feet, Mr. Speaker, I want to make something clear to the hon. member for York-Simcoe. When answering a reporter's question he suggested we had a moral obligation to share in the Olympic deficit. I said that while we may have a moral obligation, we have no legal obligation. Next time the hon. gentleman asks a question of concern to the Postmaster General, I wish he would put it directly to the Postmaster General so that I can inform the House of his normal bias against Olympics in general.

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CONSUMER AFFAIRS

REQUEST FOR SUBSIDY ON BREAD AND FLUID MILK—GOVERNMENT POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In light of the finding of the Food Prices Review Board in its most recent report on bread and milk that:

> The substantial price increases in milk and bread over the past two years probably caused considerable hardship to many Canadians, especially those with fixed and limited incomes . . .

And given that this hardship is being incurred despite measures the government has already taken, namely, its current subsidy on skim milk powder and the two-price wheat system, will the minister now take action to reinstate the subsidy on fluid milk and also place a substantial consumer subsidy on brown and white bread?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

BREAD—INQUIRY WHETHER DECREASE IN COST OF SUGAR TAKEN INTO ACCOUNT IN SETTING PRICE

Mr. John Rodriguez (Nickel Belt): A supplementary question, Mr. Speaker. Has the minister been monitoring

the increases in the price of bread and, if so, can he assure the House that the dramatic decrease in the cost of sugar is being accurately reflected in present prices since, in the February, 1974 Food Prices Review Board report, the increasing price of sugar was used to justify increases in bread prices.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Food Prices Review Board has a very clear mandate on this matter and I think it is taking its responsibilities in an admirable fashion.

* * *

[*English*]

POST OFFICE

SUGGESTED DECREASE IN NUMBER OF NEW STAMP ISSUES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Postmaster General. I know that he has been busy recently with other matters. I ask him if he will, when he has time, consider the advisability of halting the proliferation of new stamp issues, in view of Canada's diminishing reputation with philatelists who, after all, give the Post Office its only profit by buying unused stamps, and in view of the high cost of tooling for new stamp issues.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I know that because of the Olympics, we are issuing more stamps than usual. I think the hon. gentleman will agree that the two recent stamps, one in honour of the Calgary Stampede and the other commemorating L. M. Montgomery of Anne of Green Gables are among the finest stamps in the world.

* * *

ENERGY

OIL—CONTINGENCY PLANS FOR ASSURING SUPPLIES TO EAST COAST REFINERIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct my question to the Prime Minister? It has to do with security of sources of oil for Atlantic coast refineries. I directed this question to the Prime Minister the other day, as the two principal refineries in Halifax, the Imperial Oil refinery and the Texaco refinery, will run out of crude and other light oils for refining some time next week. Can the Prime Minister tell the House what he has been advised by officials with respect to contingency plans for security of crude oil or other energy fuel supplies for the metropolitan area?

● (1130)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if I might be allowed to answer, we have contingency plans to assure that there will be no shortage of crude oil. There will be a transfer from large to small vessels. This operation was supposed to start yesterday but did not because of sea conditions. It is now supposed

to start today. We have made arrangements so that the refinery will not be short of oil.

* * *

ENVIRONMENTAL AFFAIRS

SUGGESTED DISCONTINUANCE OF ATTEMPT TO TRANSFER CRUDE OIL FROM LARGE TANKER TO SMALLER VESSEL AT HALIFAX AND RESUMPTION OF BARGAINING WITH HARBOUR PILOTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct my supplementary question to the Minister of the Environment. Will the minister take the simple expediency of bringing to an end the very dangerous exercise being carried out at the mouth of Halifax harbour which, under almost ideal conditions, failed yesterday? Will she bring to an end this potential horror near Halifax Harbour? Will the minister get together with her colleague, the President of the Treasury Board, and get the harbour pilots and the Atlantic Pilotage Authority back to the bargaining table for the purpose of resolving this 3 or 4 per cent difference so that we can again have orderly conduct in the ports of Atlantic Canada, bringing to an end this exercise in madness off Halifax harbour?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, those whose responsibility it is to get the parties together are trying very hard to do that. The Department of the Environment has a representative on the committee which is issuing these waivers and looking at the passage of tankers at this time. However, we do have a strike, and the environmental concerns are taken into account when giving permission for passage of ships. We are doing our best under the circumstances.

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TRANSPORT

FAILURE OF ATTEMPT TO TRANSFER CRUDE OIL FROM TANKER TO SMALLER VESSEL AT HALIFAX—AMOUNT OF OIL ON HAND AT REFINERIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): I will direct my final supplementary to the Minister of Transport. In light of the fact that every time the two ships were tied together yesterday they broke apart, and God only knows what would have happened if they had been pumping oil at the time, will the minister advise how much crude oil reserve exists in the Imperial Oil plant and the Texaco plant in the port of Halifax and Dartmouth? How much is there? When will they run out? What will happen to the security of energy sources if in fact the Esso *Goa* and the Imperial *St. Clair* are not able to effectively transfer that oil?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there are many questions contained in the hon. member's question. First, I must say that the Department of Labour is working hard to get the parties together. Second, we are working with the Department of the Environment so that if any move of that kind is made, it will be made in the safest way. We have advisers there and we will not be taking any risks. If there were no transfers yesterday, it was because we thought it constituted a risk. They did not take that risk. The Department of the Environment so advised us yesterday because of the condition of the sea. However, it can be done. It has been done many times in the past. All the companies and technicians say that it can be done very safely. We do not want to take any risks. If something happens, I am ready to take the responsibility for it. With regard to the reserves of oil, I do not know exactly what it is. I will inquire and inform the hon. member on Monday. There is enough until Monday and I will advise the hon. member of the exact amount at that time.

[Mr. Marchand (Langelier).]

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ENERGY

POSSIBLE USE OF INTERPROVINCIAL POWER GRID TO OBTAIN POWER FROM NEW BRUNSWICK TO ALLEVIATE SHORTAGE IN NOVA SCOTIA

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I pour some oil on troubled waters—

Some hon. Members: Oh, oh!

Mr. McCleave: —metaphysically but not physically. My question is to the Minister of Energy, Mines and Resources or the acting minister. Will the minister check to see whether any power shortages looming in Nova Scotia can be made up by using the interprovincial power grid, that is using New Brunswick power, since that grid was paid for by federal money to deal with emergencies?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will take note of those representations on behalf of the minister and secure an answer for the hon. member.

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NATIONAL DEFENCE

DATE OF DECISION ON SELECTION OF LONG RANGE PATROL AIRCRAFT—POSSIBILITY OF INCREASE IN COST IF DECISION DELAYED AFTER AUGUST 1

Mr. J. P. Nowlan (Annapolis Valley): My question is for the Minister of National Defence. I know that he was asked about a decision on the LRPA program a few days ago. Can he now assure the House that a decision will be made on or before August 1 at which time the firm tender prices advanced by Lougheed and Boeing will expire?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as I told the House last week, this major purchase for National Defence is now actively being considered by cabinet. It will be before cabinet next week.

Mr. Nowlan: Mr. Speaker, it has been considered by cabinet since May, 1968. We fought and won a war in a shorter time than it is taking the cabinet to make up its mind on the LRPA and come to a decision. Can the minister advise what escalation factor there will be in the

contract bids if a decision is not made before August 1? What rough percentage?

Mr. Richardson: Mr. Speaker, I obviously cannot prejudge any cabinet decision. If we should have to go beyond August 2 and we have both competing manufacturers in the race, there will be no escalation in price.

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AGRICULTURE

SOUR CHERRIES—GOVERNMENT MEASURES TO ALLEVIATE MARKETING DIFFICULTIES—POSSIBILITY OF INCREASE IN PRICE OF EGGS

Mr. Wm. Andres (Lincoln): Mr. Speaker, I wish to direct my question to the Minister of Agriculture. In view of the fact we have had some serious problems in marketing our sour cherry crop, what if anything is the minister doing with regard to marketing this crop? Further, is there any truth in the news media reports that there has been an increase in the price of eggs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there has been a lot of speculation about the increase in the price of eggs, but no decision has been made under the new formula. I would report that Manitoba, Ontario and Quebec are still selling below cost of production. With regard to the cherries, we have a program to make sure that this crop does not go to waste. We hope the trade will purchase these. If not, we will purchase them to the tune of 11 million pounds maximum. We hope this will ensure that none of the crop will go to waste.

* * *

[*Translation*]

COMMUNICATIONS

CABLEVISION—PROPOSED FEDERAL-PROVINCIAL CONFERENCE ON GRANTING JURISDICTION TO PROVINCES

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the right hon. Prime Minister.

Since the Quebec Minister of Communications expresses the very decided view of the provincial government, which wants absolute control over cablevision, and since that issue is likely to cause disastrous constitutional unrest, is the Prime Minister considering reviewing the government's attitude on that matter or ordering in the near future a federal-provincial conference to determine the respective jurisdictions in that field?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered that question yesterday for the hon. member for Joliette. I told him I did not intend to convene a constitutional conference to turn over federal powers to provinces. I also said that Quebec's premier did not ask for such a constitutional conference.

As hon. members know, there is one question pertaining to this matter which is now in dispute and will end up in court. We may get a court ruling on the constitution from that court but it is the contention of the federal government—and I hope our view is shared by the Progressive Conservatives and the Social Credit Party of Canada—that the federal government has jurisdiction over all matters pertaining to broadcasting.

Mr. Matte: Mr. Speaker, I would like to ask another supplementary question: first, I would like to suggest to the Prime Minister that he seems to place himself above the constitution, and I do not think jurisdictions can be determined as easily as that. In any event, would the Prime Minister tell the House whether or not he has received any communications from the premier of the province of Quebec on this matter, since the records are now in the hands of the Quebec premier, and whether or not he will, upon the premier's request, summon a constitutional conference?

Mr. Trudeau: Mr. Speaker, I must remind the hon. member that the government did not place itself above the constitution. On the contrary, we have first proposed administrative arrangements for the last two years now that the Minister of Communications has been calling for those conferences. We have also pointed out there was a doubt as to the constitutionality of our bringing the case jointly to the Supreme Court. We did not place ourselves above the law. What we did say is: let the Supreme Court interpret the constitution. The province of Quebec did not accept either suggestion. As for the last of the question, the answer which I gave yesterday is still no. Premier Bourassa has not consulted me since he was handed over the records by Mr. l'Allier.

* * *

● (1140)

[*English*]

EXTERNAL AFFAIRS

PROPOSED LICENSING OF ITALIAN FIRM TO CONSTRUCT CANDU REACTORS—ADEQUACY OF SAFEGUARDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister or to the Acting Secretary of State for External Affairs regarding reports that the Canadian government is negotiating an agreement with a private firm in Italy for licensing the construction of CANDU reactors in that country? I want to ask the minister, first, whether this report is correct and, second, what safeguards will be imposed, in view of the fact that the private company is not a sovereign power but is subject to the policies of the country in which it is located and that it is not accountable in the way a government would be. What safeguards is the government proposing to put in place in the event that it grants this far-reaching power to manufacture CANDU reactors for export to other countries after a given period of time?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, a question of the same kind was directed to my colleague, the Minister of Energy, Mines and Resources, either yesterday or the day before. He gave a fairly detailed answer, but I would have to study very carefully the question the hon. member has put

in order to determine whether there is anything additional by way of information that is required.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I heard the answer given by the Minister of Energy, Mines and Resources. It does not explain how the Canadian government can insist on adequate safeguards with application to a private company which has the power to manufacture CANDU reactors in another country and export them. I want to ask the Acting Secretary of State for External Affairs this question: if the main safeguard, in the view of the government, is supervision by the International Atomic Energy Agency, is he satisfied, in the light of the fact that by the end of this year there will be some 650 nuclear reactors in 38 countries while the International Atomic Agency has less than 70 nuclear scientists on its staff, that this type of inspection provides adequate safeguards against the misuse of plutonium produced from nuclear reactors? Is the government satisfied that this type of inspection provides Canadians and the world with adequate safeguards?

Some hon. Members: Hear, hear!

Mr. Sharp: Several questions have been directed to me by the hon. gentleman. As the House is aware, Canada has been trying to get international standards upgraded, so I can say we are not satisfied with the standards which now prevail, in that sense. As to the precise form of the safeguards we have applied to this technology to a co-operating company, I must take the question as notice and get an answer later.

SUGGESTED SUSPENSION OF SALE OF CANDU REACTORS PENDING IMPROVEMENT IN INTERNATIONAL SAFEGUARDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I thank the minister for his reply, particularly when he says the government is not satisfied with the present international safeguard standards. In view of the fact that agreements similar to the one which is now being negotiated with Italy are also being negotiated with Rumania and Argentina, I ask the government whether they are prepared to stop either the licensing or the export of CANDU reactors until such time as they are satisfied with the international safeguards.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): I cannot answer that question positively because I am very much impressed, as I think we all are, by the facts which have been put forward by the hon. gentleman, namely, that nuclear energy is being spread all over the world and it is absolutely essential that we should not find ourselves caught, as we did recently, by reliance on one source of power which is concentrated too much in one area. So I support my Prime Minister by saying we believe it is important that the advantages of nuclear energy be available throughout the world in order to improve standards of living in other countries. This is something with which I would hope the NDP would agree.

[Mr. Sharp.]

GRAIN

WHEAT—POSSIBILITY OF ADDITIONAL SALES TO RUSSIA

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is to the minister responsible for the Canadian Wheat Board. In view of the current wheat sale from Canada to Russia and the fact that we sold some 74 million bushels of wheat to Russia in the past few days—

Some hon. Members: Hear, hear!

Mr. Murta: I do not think the Liberal party would want to take credit for a crop failure in Russia, so I do not know what they are applauding about.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): You would have been over there announcing it from Moscow!

Mr. Murta: In view of possible further grain sales, especially to the United States, I want to ask the minister whether the Wheat Board is still continuing to hold negotiations with Russia with a view to further grain sales from Canada to Russia in the very near future.

Hon. Otto E. Lang (Minister of Justice): I presume that when the hon. member referred to grain sales from Canada to the United States he was talking about sales made by Canada to Russia. Just as this sale was evidence of the extremely good relationship between Canada and the U.S.S.R. with regard to trading in wheat, that relationship will stand us in good stead in the course of further negotiations. The Wheat Board is, in effect, constantly in touch with buyers in the U.S.S.R.

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LABOUR CONDITIONS

PROPOSED SINGLE BARGAINING AGENT FOR PUBLIC SERVICE—METHOD BY WHICH SERVICES OF MR. JOE MORRIS OBTAINED

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Labour. Yesterday, my colleague, the hon. member for High Park-Humber Valley asked a question about the fragmentation of union power within the Public Service. The minister replied, as reported at page 7657 of *Hansard*:

> There is a general disposition to try to achieve this type of objective. I might say we have achieved something along these lines already. I have indicated in the House before that Mr. Joe Morris, President of the Canadian Labour Congress, has already met with people in the grain handling area to achieve this type of consultation.

My question to the minister is this: with respect to the instance to which he referred yesterday, is that as a result of the formation of the Canadian Labour Council which the minister discussed in the House previously, and if not, was it merely an ad hoc arrangement made by members of his own department trying to obtain the good services of Mr. Morris in this direction?

Hon. John C. Munro (Minister of Labour): It was due to several factors, the principal one being that when the CLC made its presentation here a few months ago the

Prime Minister indicated that this might be a beneficial way for discussions to proceed. That was a great help in promoting this particular policy. The various elements which are working together on this council have considered this to be a high priority. Both these factors had a good deal to do with the initiative which was taken in this direction.

POSSIBLE ROLE OF PROPOSED CANADIAN LABOUR COUNCIL IN SETTLING DISPUTES OUTSIDE FEDERAL JURISDICTION

Mr. John A. Fraser (Vancouver South): As the minister is aware there are a number of work stoppages taking place in the country at the present time which are outside federal jurisdiction. It has been some time, now, since we have discussed the Canadian Labour Council. How soon can we expect this council to come into being? In what way will the council, as envisaged by the minister be successful in assisting us in dealing with these work stoppages and difficulties of negotiation that are outside the federal jurisdiction, but which are very important to the economy of Canada and the wellbeing of relations between management and labour?

● (1150)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as the hon. member is aware, I take it, his party has always stood firmly for these policies, namely that we should not interfere in areas of provincial jurisdiction. There are 10 other labour departments in this country. All I can say is that when you have effective and influential members of management and the labour movement meeting at the federal level to try to cope successfully with problems at the federal level, hopefully they will come up with constructive solutions that will have a beneficial spin-off on labour problems in this country.

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ADMINISTRATION OF JUSTICE

REFERENCE TO ALLEGED STATEMENT BY MINISTER THAT WHERE SEVERAL COUNTS INVOLVED ACCUSED OUGHT TO PLEAD GUILTY TO ALL IF FOUND GUILTY ON ONE

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a question to the Minister of Justice. When the Minister of Justice was replying during the adjournment debate on July 15 to my question concerning Dr. Henry Morgentaler, he indicated he believed that if there were a number of similar counts against an accused, and if the accused is found guilty on one, then the accused ought to plead guilty to the other charges. Would the minister now assure the House that he was wrong in so indicating, that in fact he believes that an accused ought to have full rights to a trial on all charges if the accused so desires, and that he was not trying to indicate a new government policy of coercing an accused into pleading guilty?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would have to check *Hansard* on that. If it shows the word "all", I should have preferred to use the word "often" and that is what I intended. I think, in fact, that is the word I used that night. It is, in fact, a very common practice, and that is all I was referring to.

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IMMIGRATION

REFERENCE TO ALLEGED STATEMENT BY MINISTER CONCERNING RELOCATION OF IMMIGRANTS—REQUEST FOR CLARIFICATION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to address my question to the Minister of Manpower and Immigration. It is in respect to the CBC program "Spotlight". May I ask the minister whether some of the statements that he made do not, to his mind, seriously jeopardize the credibility of the joint committee studying the green paper on immigration; and if the minister has already decided on the relocation of immigrants in less densely populated areas by offering incentives, can he explain what these incentives are and what the policy of the government is in relation to those incentives?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think, as the hon. member knows, I have been doing my best to respect the integrity of the process by not prejudging or pre-empting any decisions of the committee which the government hopes to get before too long. I cannot recall any statements made in the program, which as the hon. member knows was an interview, that would breach that commitment.

As far as the redistribution of people across the country is concerned, this has been talked about a great deal, not only by myself but by others, and I must honestly tell the hon. member and the House that no, we do not have any predetermined idea that this has to be done or how it would be done. I believe I have said on occasion that this is an area that has to be explored. I hope the hon. member would agree that I cannot be muzzled in any response that I would be called upon to make in reply the questions about these matters.

Mr. Epp: A supplementary question, Mr. Speaker. Do I take it that the minister was expressing different options as opposed to specific policy decisions that have already been taken?

Mr. Andras: Yes, Mr. Speaker. The only firm commitment that has been made by me on these matters is the statement of the four assumptions that we suggest we would like to hold to—the non-discriminatory aspects of our immigration policy, the family reunion, refugee considerations, and dovetailing of the assessment of entry to Canada with economic, social, linguistic and cultural matters, all of which have been stated quite frequently and were in fact contained in the green paper.

SUGGESTION FOREIGN WRESTLERS ENTERING CANADA WITHOUT WORK PERMITS—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the consistently high unemployment rate in Canada, and in view of the fact that

Canada's greatest athlete Gene Kiniski, has protested the fact that professional wrestlers from India, Europe and the U.S.A. are entering Canada without work permits for the purpose of staging wrestling matches and depriving our Canadian athletes of jobs, would the minister have his departmental officials check out these so-called aliens so that Canadian wrestlers will find full-time employment and not start collecting unemployment insurance?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will try and wrestle that one to the ground! Without knowing precisely the application of the work permit to that category, I believe there are certain exemptions that apply to professional entertainers. However, I will certainly take with the usual respect the hon. member's representation on behalf of his friends in that business and see what can be done.

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HOUSING

NON-PROFIT AND CO-OPERATIVE HOUSING—AMOUNT OF MONEY COMMITTED BY ONTARIO

Mr. F. A. Philbrook (Halton): Mr. Speaker, I have a question for the Minister of State for Urban Affairs responsible for housing. Has the minister any indication of the amount of funds actively committed this year by the province of Ontario to support non-profit and co-operative housing units?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is my understanding that the province of Ontario has allocated some $200,000, none of which has been committed. In so far as CMHC is concerned, we have committed something over $100,000 for core funding of the non-profit groups. With reference to non-profit housing itself, we have commitments or active programs under assessment of just over $60 million in Ontario.

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AIRPORTS

PICKERING—REFUSAL OF ONTARIO TO PROVIDE ACCESS ROADS—DATE OF MEETING WITH ONTARIO MINISTER

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Transport. Last week the Ontario government announced that it would not supply the roads and other infrastructures needed for the proposed Pickering airport. On that occasion the minister told the House that he would be conferring with Mr. Rhodes, the Ontario Minister of Transport, as to the full meaning or implication of his statement or the letter that he had written. May I now ask the minister when he expects to see Mr. Rhodes, and when will he make an announcement to the House, if it is still sitting, on the results of his interview?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I did propose to Mr. Rhodes that we meet next Tuesday. That was not convenient to him and he proposed July 29, so I am trying to arrange a meeting for that day.

PICKERING—SURVEY CONDUCTED BY ELLIOT RESEARCH INDICATING MAJORITY OPPOSED TO PROJECT—MINISTER'S POSITION

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. Has the attention of the minister been called to a poll conducted by Elliot Research Limited in March, 1975 showing that in metropolitan Toronto 54 per cent were opposed to Pickering airport as compared to only 34 per cent in favour? In view of the fact that the minister promised he would not proceed with the airport if the people in the area did not want it, has he taken into account the result of this poll?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not seen the poll and I should like to see an analysis of the data and figures, if the hon. member would forward them to me.

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CANADIAN NATIONAL RAILWAYS

POSSIBILITY COMPANY DIVERTING FREIGHT FOR NEWFOUNDLAND FROM PORT OF NORTH SYDNEY—REQUEST FOR REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. In light of the disturbing fact that the tonnage of freight going through the port of North Sydney to the great province of Newfoundland has dropped very seriously during the past few weeks, resulting in fewer jobs being available, would the minister be good enough to use his good offices to check with Canadian National and see whether they are diverting freight through other ports to Newfoundland?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire into this and give an answer early next week.

* * *

EXTERNAL AFFAIRS

REASON FOR FAILURE TO DELAY SALE OF NUCLEAR REACTORS PENDING IMPROVEMENT OF SAFEGUARDS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Acting Secretary of State for External Affairs and is supplementary to the question asked by the hon. member for Nanaimo-Cowichan-The Islands. In terms of clarification, is it the position of the government that the delay in supplying reactors to countries like Korea, thereby slowing down their energy development sufficiently long in order to work out safeguards, would create more problems and difficulties and be of more concern to the world than the fact that providing these reactors might indeed add to nuclear proliferation around the world? The point that I want to get clear is this. Why does the government believe that it is doing something

morally correct by making them available, when in fact a delay of a year to work out safeguards would surely be of less significance than the possible damage that might be done if these sales went ahead?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman seems to have overlooked the fact that while we are dissatisfied with the international standards we, for our part, have been applying stricter standards than anybody else.

● (1200)

SALE OF NUCLEAR REACTORS TO KOREA AND ARGENTINA—REQUEST FOR TABLING OF SAFEGUARDS AGREEMENTS

Mr. James Gillies (Don Valley): Mr. Speaker, I should like to ask the Acting Secretary of State for External Affairs the following question: Given the fact that this is a matter of enormous importance not only to Canada but to everybody in the world, why will the government not table in this House those standards and allow them to be debated? I am referring to the standards in the Argentine contract and in respect of South Korea and not to the general safeguards which the minister brought down last year. I refer to the specific safeguards which will make the government confident that it has safeguards which will make it impossible for Canada to be known as one of the great spreaders of nuclear weapons.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, my colleague the Minister of Energy, Mines and Resources did put forward very specific safeguards that we apply to all contracts. The hon. gentleman has not disputed these. He just wants to create the false impression that Canada is participating in traffic which I am sure is not supported by the Canadian government. He is trying to make cheap political points out of the efforts of the government.

Mr. Gillies: Mr. Speaker, I would hope the Acting Secretary of State for External Affairs would know that in all the time—it is not a long time—that I have been in the House of Commons I have never tried to make cheap political points. Let me say that I find it really quite intolerable, as I believe do most Canadians, for the government to say it has fine safeguards but is afraid to table them in the House of Commons and tell the Canadian people what those safeguards are.

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[*Translation*]

BILINGUALISM

SENDING OF FAMILIES TO PARIS FOR FRENCH LANGUAGE COURSES

Hon. Jean Chrétien (President of the Treasury Board): I rise on a point of order, Mr. Speaker.

Yesterday the hon. member for Edmonton Centre asked me whether it was true there were directives allowing civil servants to go to France with their families to learn French. I want to report to the House that there is no such directive. Civil servants are not allowed to go abroad to take advantage of language instruction programs. To learn French or English, one must stay in Canada.

[*English*]

Mr. Stanfield: Mr. Speaker, I gave you notice that I would be raising a point of order relating to answers that ministers have been providing the House relating to nuclear contracts abroad. However, since my point concerns not only the House leader but also the Minister of Energy, Mines and Resources (Mr. MacDonald), it might be preferable if I put if off until Monday when perhaps the other minister will be in the House.

Mr. Lang: Mr. Speaker, a few moments ago the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) suggested that the other night I had said that under certain circumstances defence counsel ought to plead their clients guilty, and I indicated I would check *Hansard* but I thought the word I meant to use was "often". I find, on checking *Hansard*, that the word shown is in fact "often". I regret that the hon. member for Lanark-Renfrew-Carleton has left the House, and I would like to ask him at the earliest opportunity to confirm that he had asked the question carelessly, without checking *Hansard*, and did not attempt intentionally to mislead the House.

Mr. Stevens: I rise on a point of order, Mr. Speaker. Yesterday I rose on a question of privilege to point out that in answer to a question put by myself, the Minister of Finance (Mr. Turner) had indicated that in his budget speech there had been a forecast of real growth in the economy of between zero and 1 per cent. I indicated yesterday that there was no such forecast in his budget speech and said I hoped the Minister of Finance would correct the record. He replied that he would send me the reference. I still have not received the reference and I wonder if the minister could be given an opportunity to correct the record.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is perfectly correct. Those number were given in the speech I made at the federal-provincial conference which was tabled in the House by my parliamentary secretary, and the budget reflected those figures.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND ORGANIZATION

Third report of Standing Committee on Procedure and Organization, in both official languages—Mr. Sharp.

NATIONAL CAPITAL REGION

First report of Special Joint Committee of the House of Commons and the Senate on the National Capital Region, in both official languages—Mr. Stewart (Cochrane).

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

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[*English*]

FEDERAL-PROVINCIAL RELATIONS

TABLING OF CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND GOVERNMENT OF MANITOBA ON SHARED-COST PROGRAMS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, under Standing Order 41(2), in both official languages, correspondence with the Premier of Manitoba concerning publicity arrangements in respect of shared-cost programs with his province.

* * *

FOREIGN INVESTMENT REVIEW ACT

TABLING OF REGULATIONS AND GUIDELINES RESPECTING NEW BUSINESS PROVISIONS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I am tabling today copies, in both official languages, of three documents: first, the regulations and, second, the guidelines concerning implementation of the new business provisions under the Foreign Investment Review Act. In addition, I am tabling the new "Principles of International Business Conduct."

STATEMENT BY MINISTER ON PHASE II OF LEGISLATION

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, hon. members know that the first part of the Foreign Investment Review Act, governing takeovers of Canadian business enterprises, was proclaimed into force on April 9, 1974. When the bill was before parliament I undertook, on behalf of the government, that the second part of the act, phase II, relating to the establishment of new foreign-controlled businesses in Canada, would not come into force until the government was satisfied on two scores.

The first was that the government should have gained some experience in the actual administration of the review process under phase I. We have now had well over a year's experience and we are satisfied that the review process is working well.

The other commitment was that phase II would not be introduced until there had been further consultations with the provincial governments. During the past year there have been several meetings with representatives of all provincial governments. Those meetings have involved very full discussions on the administrative procedures for consultation on individual cases between the federal and provincial authorities, and I am pleased to say that there is general agreement that the procedures which have evolved are sound and workmanlike.

Accordingly, the government has now, by proclamation, fixed the date on which phase II is to come into force. That date is October 15 of this year. The lead time we have provided will give investors and their advisers the necessary opportunity to become familiar with the phase II guidelines and regulations. It is also intended to avoid disruption in investment plans which are now being developed.

It should be noted in this regard that investments which are under way on October 15 are not reviewable under the act to the extent that they are established businesses. To show that a business was already established by October 15 it will not be necessary to show that the business was fully operational on that date. Where there are one or more employees, together with contractual obligations or other definite commitments relating to the new business, those factors should be enough to show that the new business has been established and is therefore not subject to review.

In the administration of phase II of the act we will, of course, continue to follow the procedures that have been developed for close consultation on individual cases with the provincial governments. We will also ensure that there is effective co-ordination between the Foreign Investment Review Agency and other departments and agencies of the federal government.

In this regard I would like to advise investors who intend to apply for incentives under the Regional Development Incentives Act, and whose investment proposals are also subject to review under the Foreign Investment Review Act, that they should discuss their plans first with the appropriate provincial or regional office of the Department of Regional Economic Expansion. I want to assure hon. members that there will be no unnecessary delay in investment programs important to the development of designated regions of the country through duplication of administrative procedures.

I should again like to emphasize, Mr. Speaker, that the purpose of the Foreign Investment Review Act is not to block foreign investment from any source or to discourage it but, rather, to ensure that such investment is of significant benefit to Canada. Since its beginnings Canada has had to rely heavily on foreign investment to help us develop this country. Clearly, it has been beneficial. We shall continue to need a great deal more investment in Canada by our friends abroad if we are to develop our full potential as this government is determined to do.

● (1210)

A mere glance at the guidelines concerning related business will clearly indicate that great care has been exercised to ensure that there will be no interference with investment for the maintenance and expansion of the ongoing business in Canada. This was clearly parliament's intention when the act was passed into law.

Mr. Speaker, the House is aware that ownership and control of enterprises engaged in the extraction and processing of uranium are matters of important concern to the national interest and to Canadians generally. The government's intention to limit nonresident ownership in this industry is well known. The government is considering alternative measures to consolidate this policy with respect to the ownership of uranium mines within the general ambit of our policy regarding foreign ownership and control of the Canadian economy.

Mr. Speaker, I am also tabling, on behalf of the government, copies in both official languages of new "Principles of International Business Conduct." These are not to be confused with the guidelines concerning related business under the Foreign Investment Review Act. They are intended as an updating and a replacement of "Guiding Principles of Good Corporate Behaviour in Canada" which were announced by the late Hon. Robert Winters on March 31, 1966. Like the earlier set of guiding principles of good corporate behaviour, the new set of principles reflects broad government policy regarding the activities and responsibilities of foreign-controlled business enterprises in Canada. They thus provide an added indication of the sort of benefits the government looks for in assessing investment proposals under the Foreign Investment Review Act. But they are directed towards all foreign-controlled enterprises doing business in Canada, whether or not they are involved with the Foreign Investment Review Act.

The basic content of the 1966 guiding principles has been retained. However, we have to recognize that new developments have taken place and that these developments should be reflected in the revised principles. In 1966, the government was especially concerned over certain financial aspects of the activities of foreign subsidiaries in Canada because of particular balance of payments measures which were introduced at that time by the United States. The guiding principles did not lay particular stress on the need for subsidiary companies to have more autonomy or sufficiently underline the need to identify more closely with Canada economically, socially, and culturally.

A major omission from the old principles of good corporate behaviour was that they made no reference to the conditions under which foreign or foreign-controlled technology and know-how may be transferred to a Canadian subsidiary. These can often serve to inhibit the local subsidiary from operating at its full potential. To emphasize our interest in the technology-related activities of foreign-owned subsidiaries, we have added a new principle, number 14, and we have tied it in with the observance of the preceding principles.

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to thank the minister for providing us with a copy of his statement a few hours ago. The opposition endorses the principle of less foreign ownership in the Canadian economy and agrees that quick action is necessary to monitor the amount of foreign investment we have in the Canadian economy, but we wonder why the government and the minister are making an announcement at this particular time of the proclamation of phase II.

We have been told that the minister had to wait until he had reached some agreement with the provinces on the operation of phase II, and until he knew whether phase I was working and how it was working, before he was prepared to go ahead with this new proclamation. On the latter score, that is whether phase I is working, I am not surprised that there has been a delay, because it was not until more than a year after the proclamation of phase I that the foreign investor, the Canadian public and members of this House had any indication of the specific criteria to be applied in the evaluation of proposed foreign investment. It would have been preferable had the agency become familiar with these criteria somewhat sooner.

On the first point, that of provincial consultation, I wonder whether the minister is prepared to assure the House that his consultations with the provinces had greater scope than making them aware of what he intended to do. I hope the minister will take the time to assure the House in more definite terms that all the provinces across Canada agree with the imminent proclamation of phase II.

I am sure the minister was faced with a difficult balancing act in deciding on the proclamation of phase I in October. The need for proclamation is there, but the full act comes into force at a time when Canada is suffering from recession and is plagued with one of the most significant balance of payments problems it has ever had. After listening to the minister, I conclude that he is quite satisfied that the critically needed foreign capital inflows will not be disrupted by the proclamation of phase II, and that phase II will not damage the business confidence required for the large volume of equally critically required new capital investment.

I hope the minister will also find the time, perhaps today at the conclusion of the remarks of the various spokesmen on this issue, to indicate more fully that he has had discussions with his colleagues, with the Minister of Finance (Mr. Turner) in particular, and that there is no concern about the implementation of the proclamation of phase II at this time with respect to our serious balance of payments problems.

Although I have not had the opportunity to study the guidelines concerning related business in detail, I find at this stage that they are relatively non-controversial, although there are one or two peculiarities. For instance, vertical integration is classified as related business expansion under guidelines 1 and 2. Thus, we find the government again doing what they do so often, taking action on the one hand which is contravened by action on the other, because we see that they will now apply vertical integration through the Foreign Investment Review Act, while they created a royal commission on corporate power to study this problem to find out whether it is a good thing for the Canadian economy. Guidelines 4 and 5 also seem to be in some disagreement. Guideline 4 permits expansion if the same technology is used, and guideline 5 only if the technology is new and Canadian.

We are also pleased to see some comment in the report about the policy with respect to ownership of uranium. However, we hope the government does not believe that by looking at this ownership issue they have, in fact, solved the problem or indeed put forward a solution that is adequate for all Canadians as to how we are going to deal with the export of this most important product.

The minister has also provided us with an expanded set of criteria under which the significant benefit test is to be conducted. We can only say we hope the minister has made up his mind clearly and distinctly about this matter, because the hallmark and characteristic feature of the present government is to do something one day and change it the next. If we are to have the sort of investment we need in this country, the business community must have confidence that the government knows precisely what they will do.

Much of the need for this legislation would be reduced if the government were only to take a more positive attitude toward business in this country. Foreign ownership regulations are really only a short-term answer to the over-all problem of foreign investment and the development of the Canadian economy. The real answer to our problems lies in the generation of a healthy Canadian business climate, and the minister must know that his job is not complete until he has measures installed which will accomplish this end and until he has produced what Canadians have been looking for for a very long time, namely, some sort of industrial strategy to guide the development of the Canadian economy.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, when the Foreign Investment Review Act was debated in the House, the NDP supported it because it represented an improvement over the then existing situation with respect to foreign investment, that is to say, over a situation in which there were no controls in this major area. We reserved judgment on the act, however, as it was clear from the way in which it was worded that the attitude of the government to foreign investment and the regulations implementing the act would be the crucial determinants on the issue. We now know, if there were any doubts before, that the government had no real intention of limiting or controlling foreign investment in Canada.

● (1220)

Our support of the Foreign Investment Review Act was on the basis that it would encourage rational control of investment in the Canadian economy so that Canadian resources would be developed in such a way that the maximum benefit would go to the people of Canada as a whole and not to foreign-owned, multinational corporations. The prime benefit had to remain here, and not abroad. However, as the operation of the first phase of the act demonstrated beyond doubt, this was not the purpose the government had in mind for its own bill. Its purpose was simply to stem the criticism of Canadians legitimately concerned that the Canadian economy was being more and more controlled by outside governments and outside corporations. There is no discernible pattern in the agency's activity since the passage of the bill in relation to takeover approvals, which have run at the rate of some 80 per cent of all applications.

The guidelines for takeover are so vague as to be worthless. The reason for this is that the government does not intend to plan in a rational way investment patterns in Canada. Every time this government gets into trouble, under any circumstances, in the economy it runs off and asks foreign companies to bail it out: witness recent speeches—and by "recent" I mean in the last six months—by the Minister of Finance (Mr. Turner) and by the Minister of Industry, Trade and Commerce (Mr. Gillespie), both at home and abroad, assuring foreign investors that they would have no problem at all in embarking upon ventures in the Canadian economy. Hence the expressed reason for the delays in proclaiming part II of the act.

The regulations under part II clearly demonstrate that the government's real position will not be found in the royal commission set up by the Prime Minister (Mr. Trudeau) to investigate corporate power, which is a sham if ever there was one created in Canadian politics. The real attitude toward the power of corporations in Canada, and particularly multinational corporations, is to be found in what is included in the regulations just tabled by the minister and, more importantly, to be found in what is not included in those regulations.

The statement of the minister is a blatant and shocking attempt to reassure foreign investors that the government has no serious intention of interfering in the slightest in their investment decisions. I wish to quote briefly from the minister's statement as follows: "I should again like to emphasize, Mr. Speaker, that the purpose of the Foreign Investment Review Act is not to block foreign investment from any source or to discourage it but, rather, to ensure that such investment is of significant benefit to Canada. Since its beginnings Canada has had to rely heavily on foreign investment to help us develop this country. Clearly, it has been beneficial."

Later the minister said: "A mere glance at the guidelines concerning related business will clearly indicate that great care has been exercised to ensure that there will be no interference with investment for the maintenance and expansion of ongoing business activities in Canada." That sentence in particular is one of the understatements of the century in Canadian politics, and one of the great understatements of the underlying economic philosophy of the Liberal Party.

Under the regulations, the list of exclusions of new foreign-owned businesses which do not need government approval to start operating is exhaustive: it is difficult to imagine any foreign investor who would have to apply for approval before establishing a new business. But of even greater importance is what this second phase does not review, the vertical integration of multinational corporations. The list of exclusions encourages the future development of vertical integration in our economy. What are the problems associated with it? Let me list the problems for the Canadian economy and, therefore, for the people of Canada, with further vertical integration. First, such integration allows transfer pricing between related companies which can artificially increase prices in Canada. Second, it reduces tax liabilities and encourages tax dodges at home and abroad. Third, it continues the trend to have research and development done outside Canada, making us increasingly technologically dependent on other countries but particularly on the United States. Fourth, it encourages the importing of machinery from foreign-based multinationals with plants in Canada. Fifth, it discourages the export of machinery and technology which would compete with the American parent company.

The exclusion of any concern over vertical integration means, to the New Democratic Party that the government has bypassed the most important aspect of the foreign domination of our economy. This is presumably a summary of the position that will be taken by this Liberal government until the next election, when it will probably trot out some other vague, unspecified and general commitment to deal with the problem of foreign ownership. But I hope that finally the poeple of Canada will shed whatever illusions they may have about the determination of this government to do anything about regaining economic independence for Canada. The battle against for-

eign economic domination has not yet begun in this country.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, in his statement the Minister of Industry, Trade and Commerce (Mr. Gillespie) mentioned that he was pleased with the good feeling and understanding which existed during his consultations with the provincial governments. We were thus spared the disgraceful scenes which occurred during the last weeks between the federal Minister of Communications and his provincial counterparts, especially the Quebec minister. However, I think that the interests were not the same. In the communication field, domestic interests are involved while the interests which concern the Minister of Industry, Trade and Commerce in foreign investments are especially foreign interests of multinational companies which are much greater. It is then easier to agree on such matters.

In any event, Mr. Speaker, I was struck by points in the minister's statement, particularly when he assures foreign investors that their applications for regional development grants would be considered and processed rapidly. The minister wants to assure hon. members that there will be no undue delay in the investment program necessary to the development of designated areas in Canada because of red tape duplication.

We know how slow the department or officials of the Department of regional Economic Expansion are in considering or accepting applications for grants from Canadian companies or businesses. I remember a case when a contractor or businessman applied for a $40,000 grant. It is not all that much. All possible complications were made to delay the awarding of the grant probably to discourage that businessman. We are a lot nicer to foreign investors than we are to Canadians who want to create new jobs and offer people the consumer goods they are asking for.

We know how things go generally regional development grants awarded to foreign companies who come to invest in this country amount to about 35 per cent. And those foreign investors get another 55 per cent from the local market so they have to come up with only 10 per cent of their own money in Canadian investments. That prompts us to say that somehow they are being paid to put us out. We know that about 80 per cent at least of our industries, and particularly those which are most important and profitable, are in the hands of foreigners.

Mr. Speaker, rather than say we are happy to promote foreign investments in Canada we should strive instead to encourage Canadians to own our own industries and businesses so we will know better what Canadian consumers want. I think one is best served by himself. That is what I wanted to say, Mr. Speaker.

● (1230)

[*English*]

Mr. Speaker: Order, please. The statement itself was of some length, as were the replies. I would think that four questioners ought to suffice, in light of those circumstances. I propose to see the hon. Leader of the Opposition (Mr. Stanfield), the hon. member for Don Valley (Mr. Gillies) and two other questioners and perhaps conclude the matter in that way.

Mr. Stanfield: Mr. Speaker, when the minister referred to consultations with the provinces, he referred to acceptance. Is that confined to acceptance in terms of the machinery being established? Could he tell us how many provincial governments have objected in whole or in part to part II at the present time?

Mr. Gillespie: Mr. Speaker, the answer cannot be given in precise terms because the position of the provinces varies. They are not easily classified into categories. I can say, for example, that a number of provinces, particularly the Atlantic provinces, do not agree with the Foreign Investment Review Act in principle at all, phase I or phase II. That is quite clearly their position. Other provinces accept it, and the need for the second phase. I know of one province out west that was particularly concerned about the timing of phase II and tied its concern to working out the necessary consultative arrangements. We were able to satisfy them on that. In general, I can say that there are a number of different views in the provinces with respect to phase II.

Mr. Stanfield: Mr. Speaker, perhaps the minister could tell me briefly what provinces objected to part II altogether? What provinces, in addition to the Atlantic provinces, objected to part II completely?

Mr. Gillespie: Mr. Speaker, I do not recall any other province saying that they felt we should never proceed with phase II. There were concerns on the part of other provinces about the timing of phase II.

Mr. Stanfield: How many provinces?

Mr. Gillespie: I cannot give the precise number. I have indicated that one province tied its conditions to the question of working out the consultative arrangements.

Mr. Gillies: Mr. Speaker, would the minister tell the House whether he has any impression that the proclamation will have any serious positive or negative effect on the Canadian balance of payments situation?

Mr. Gillespie: Mr. Speaker, I do not think it will have any significant effect on the balance of payments question. Let me put it in this context: we are faced with a deficit in our current account this year of probably between $4 billion and $5 billion; perhaps closer to $5 billion. Foreign investors do not invest in Canada, or anywhere else, because we are running a deficit in our balance of payments account; they invest because they see industrial opportunities. That will be the basis in the future, as it has been in the past. When foreign investments are made, they will not be motivated, in other words, by a desire to help Canada finance any deficit in its current account.

The second point that I should like to make is that all deficits in the past that I am aware of have relied far more heavily, in terms of the financing of the current account deficit, on portfolio investments, that is to say, debt, borrowings of municipalities and provinces, institutions and corporations in foreign markets. I would expect that

would be the way we would finance the major part of our deficit this coming year, as we have in the past.

Mr. Nystrom: Mr. Speaker, I should like to ask the minister why he is excluding the vertical integration of multinationals from the screening under the act. It seems to me this is the biggest area of foreign enterprise. When we were dealing with the act in committee about two years ago, we tried to nail the minister down on this question of the regulations and he refused to make any commitment on it. Take, for example, a foreign-owned food company: would it be allowed to establish a farm machinery company and not be screened for doing so, and then in turn be able to supply the food to retail or wholesale outlets? Are there any regulations when it comes to vertical integration and, if not, why not? This seems to me to be a major loophole in the regulations.

Mr. Gillespie: Mr. Speaker, I commend the regulations to the attention of the hon. member in relation to the particular example he used of a food company going into the tractor business. If he were to read the regulations he would find such a company would not meet the conditions of relatedness. That kind of an arrangement, in my view, would in all likelihood be seen as an unrelated activity and therefore screenable.

As an example, we could use the constituency of the hon. member for Oshawa-Whitby (Mr. Broadbent). There we have a very large automobile manufacturer, General Motors. A few years ago that company decided to build a battery plant. That is a form of vertical integration. I do not know whether the hon. member for Oshawa-Whitby is against that kind of investment. It seems to me, in the nature of things, that anybody in the automobile manufacturing business is likely to be more efficient if they can integrate back. I think the constituency of Oshawa-Whitby is a good example of that process at work.

Mr. Nystrom: Mr. Speaker, I ask the minister why it took so long to proclaim this part of the act. We understood that it would be proclaimed long ago.

Mr. Gillespie: Mr. Speaker, it took longer than I would have wished—and I have stated that on other occasions—for one reason: it was a consultative arrangement. As the hon. member may remember, the provinces sent me a telex at the end of the year, asking for further consultations. We had a series of consultations with officials of the provinces, including Manitoba. I do not think it would have been right to introduce the second proclamation without having completed that consultation process to the full satisfaction of the provinces concerned.

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CRIMINAL CODE

MEASURE TO ABOLISH DEATH PENALTY AND INCREASE MANDATORY TERM OF IMPRISONMENT FOR MURDER

Mr. Jim Fleming (York West) moved for leave to introduce Bill C-407, to amend the Criminal Code (punishment for murder).

Some hon. Members: Explain.

[Mr. Gillespie.]

Mr. Fleming: Mr. Speaker, very briefly, the purpose of this bill to amend the Criminal Code is to abolish, once and for all, the death penalty, the taking of human life by society. At the same time, however, these amendments are intended at last to provide the Canadian public with some real assurance of safety and security by dramatically increasing the mandatory term of imprisonment, without parole consideration, to 25 years for a much broadened category of murder. My colleague for Saint-Denis (Mr. Prud'homme) and I also believe that these proposals will provide criminal elements with the kind of deterrent they will understand.

● (1240)

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

PROVISION FOR APPEAL PROCEDURE IN RESPECT OF THERAPEUTIC ABORTION

Mr. F. Oberle (Prince George-Peace River) moved for leave to introduce Bill C-408, to amend the Criminal Code (abortion).

An hon. Member: Explain.

Mr. Oberle: Mr. Speaker, this bill will remove a serious discrepancy in the Criminal Code as it relates to abortion. It will provide for an appeal procedure in the case where a medical board or therapeutic abortion board has issued a permit to terminate a pregnancy. No other section of the Criminal Code denies recourse to such procedure.

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

[*Translation*]

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PRIVATE BILLS

REFERENCE OF PETITION OF ROYAL CANADIAN LEGION TO STANDING COMMITTEE

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, I move, seconded by the hon. member for Laval (Mr. Roy):

That pursuant to the provisions of Standing Order 99, the petition of the Royal Canadian Legion, not filed within the period specified in Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, along with the second report of the Clerk of Petitions presented to the House on Thursday, July 17, 1975, so that the committee may make the recommendations it deems necessary.

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

Some hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the following questions will be answered today: 441, 2,001, 2,102, 2,315 (Supplementary), 2,406, 2,507, 2,523, 2,550, 2,606, 2,630, 2,644, 2,685, 2,688, 2,698, 2,699, 2,771, 2,803, 2,824, 2,836, 2,853 and 2,873.

Mr. Speaker, if questions Nos. 2,090, 2,170, 2,232, 2,477 and 2,764 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

CLEARANCE OF POLICY STATEMENTS THROUGH SENATOR KEITH DAVEY

Question No. 441—**Mr. Cossitt:**

1. On what specific date prior to July 8, 1974 were instructions or recommendations made to the effect that Cabinet Ministers should clear policy statements through Senator Keith Davey and (a) by whom and how were such instructions or recommendations conveyed and what is the complete list of names of all those receiving them (b) who, specifically, made the decision that this should be done and for what purpose (c) what, if any, is the exact nature of the Prime Minister's involvement therein (d) how many referrals were made to Senator Davey as a result and, in each case, by whom, on what dates and what specific matters were involved?

2. Have any government policy statements been taken up in any way before they were issued with Senator Davey since July 8, 1974?

3. Is it government policy to have an unelected Member of the Senate in any way examine government policies before they are announced to the elected representatives of the Canadian people in the House of Commons and, if so, what is the justification for this?

Right Hon. P. E. Trudeau (Prime Minister): 1. See opening sentence in reply to Question 119, *Hansard* February 4, 1960, page 756.

2. No.

3. No.

CANADA-UNITED STATES PRODUCTION SHARING ARRANGEMENTS

Question No. 2,001—**Mr. Reynolds:**

1. Is there any dollar amount affixed to procurement under the production sharing agreements between the Department of National Defence and its US counterpart?

2. How involved is the economic and inter-governmental process with requirements of military procurements?

3. How critical is the balance of payments impact of defence procurements?

4. How is the procurement effort guided in terms of appreciation for the present and future potentials of the economy in fields of research, development and technology of military requirements?

5. To what general need is the defence procurement mechanism appropriate for Canada?

6. To what extent is there Canadian direction and control of the major military systems procured by the Department of Supply and Services?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce, National Defence, and Supply and Services as follows: 1. Canada/United States Production Sharing Arrangements were originally worked out in 1959 by the Canadian Department of Defence Production and the United States Department of Defense. Responsibility for the Canadian side of these arrangements was transferred in 1968 to the Department of Industry, Trade and Commerce. There is no dollar amount affixed to procurement under the Production Sharing Arrangements but the long term goal is to achieve a rough balance in reciprocal defence procurement.

2. As part of the equipment acquisition process, much inter-governmental and inter-departmental discussion takes place to ensure that the most cost effective and economically attractive arrangement is arrived at consistent with meeting the military requirements. The Department of Supply and Services is responsible, as far as it is economically practicable to do so, for maintaining a Canadian production base adequate to supply the material requirements of the Department of National Defence. Cooperative supply arrangements, through NATO or other intergovernmental arrangements have helped to lessen the cost of developing and providing complex or unique equipment.

3. In relation to the overall value of transactions entering into the Canadian balance of payments calculations, the value of defence procurement transactions is minimal (estimated to be less than ½ of 1 per cent). The value of such transactions, however, is one factor considered in the selection and acquisition process.

4. Technical specialists in the Department of National Defence and the Department of Supply and Services maintain close contact with all Canadian centres of research and development in industry, government and the universities to ensure we are fully informed of all developments which could meet military applications. Similarly effort is directed where possible and practical to concentrate on fields of technology and products which offer the broadest commercial, and therefore employment benefits to Canadian industry: for example, advanced communications systems, and new aircraft engine designs.

5. As long as Canada has defence forces, there will be a need to procure equipment to support these forces. The defence procurement mechanism is appropriate for Canada in as much as it strives to: (a) Procure in Canada these items which are technically and economically feasible to produce. (b) Take advantage of defence equipment developments in other countries, and where such equipment meets DND requirements, procure abroad, thereby, reducing costs to DND by eliminating costly development. (c) Cooperate with our allies in programs of mutual interest in an attempt to eliminate costly duplication of effort and take advantage of economics of scale in production. (d) Offset defence procurement from abroad, in so far as practicable by promoting the export sale of defence equipment produced in Canada. Canada has developed expertise in the development and production of defence equipment in certain specialized high technology areas such as transport aircraft, aircraft engines and parts, navigation and communication equipment, flight simulators, sonar equipment as well as sub-assemblies and components. Procurement of such equipment in Canada for export assists

in maintaining the defence industrial base, as well as assisting manufacturers to penetrate civil markets with products whose manufacture utilizes the expertise and technology acquired in the production of defence equipment.

6. While Canada may, from time to time, select for technical and economic reasons military equipment and systems which have been designed abroad such systems once acquired are under Canadian direction and control.

UIC REGIONAL OFFICES, QUEBEC

Question No. 2,102—**Mr. Beaudoin:**

For each UIC regional or district office in Quebec, what is the (a) total budget (b) breakdown of the budget (c) the number of employees by category?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

1975 Budget

Activities	Salaries	Total Non-salary Expenditures	Total	Man Years
Longueuil	1,999,875	426,870	2,426,745	192
Montreal South-East	1,311,657	339,642	1,651,299	123
Laval	650,794	177,549	828,343	63
Montreal North-West	1,561,328	296,320	1,857,648	152
Quebec East	1,214,925	291,953	1,506,878	115
Montreal South-West	1,547,348	405,045	1,952,393	148
Lévis	1,352,259	329,994	1,682,253	131
Baie Comeau	650,374	285,418	935,792	63
Chicoutimi	715,841	217,382	933,223	69
Sherbrooke	1,542,437	327,834	1,870,271	142
Trois-Rivières	1,436,961	408,536	1,845,497	139
Hull	979,607	265,036	1,244,643	95
Alma	683,041	316,450	999,491	66
Drummondville	684,844	200,273	885,117	67
Quebec West	916,163	279,813	1,195,976	89
Chandler	686,748	152,581	839,329	65
Rimouski	968,577	322,147	1,290,724	94
Rivière-du-Loup	508,558	165,906	674,464	48
St. Jerome	1,598,182	370,067	1,968,249	153
Montreal North-East	906,499	227,856	1,134,355	88
Montreal North-Centre	943,402	223,708	1,167,110	91
Montreal South-Centre	1,105,878	290,194	1,396,072	113
Rouyn	730,509	179,660	910,169	70
Regional	7,410,816	3,503,768	10,914,584	623
Regional Computing Services	2,234,667	1,272,880	3,507,547	237
Total	34,341,290	11,276,882	45,618,172	3,236

This budget is currently under review due to changes in the economic situation.

AIR CANADA PASSES

Question No. 2,315—**Mr. Cossitt:** (Supplementary)

What are the names of any members of families of the Prime Minister or Cabinet Ministers who have held passes at any time on Air Canada since April 20, 1968 and, in each case, on how many occasions have such passes been used?

[Mr. Sharp.]

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: Records of passes issued by Air Canada are retained for only two years following the year of pass issuance, in accordance with Canadian Government requirements. Records for the years 1973 and 1974 are currently held by the airline. A list is attached of family members of Cabinet Ministers who were issued individual member passes during 1973, 1974. The wife and children of the Prime Minister hold term or "annual" passes with no restriction on the number of times they may be used. It would be a difficult task, requiring an inordinate amount of clerical time for searching, to determine the number of occasions these passes have been used. Trip passes are rarely returned for cancellation and it is usually assumed that they have been used. 1973, Pass Issues—Wives of Cabinet Ministers: Mrs. R. K. Andras, Mrs. W. Allmand, Mrs. S. R. Basford, Mrs. E. J. Benson, Mrs. J. Chrétien, Mrs. J. E. Dubé, Mrs. A. W. Gillespie, Mrs. H. Gray, Mrs. D. Jamieson, Mrs. M. Lalonde, Mrs. O. E. Lang, Mrs. L. Lamoureux, Mrs. J. Marchand, Mrs. P. Martin, Mrs. J. Munro, Mrs. D. Macdonald, Mme. A. Ouellet, Mrs. G. Pelletier, Mr. M. Sauvé, Mrs. R. Stanbury, Mrs. E. Whelan; 1974, May 15, 1975 Pass Issues—Family Members of Cabinet Ministers: Mrs. R. K. Andras, Mrs. W. Allmand, Mrs. S. R. Basford, Mrs. J. Buchanan, Mrs. J. Chrétien, Mrs. B. Danson, Mrs. J. E. Dubé, Mrs. H. Faulkner, Mrs. A. W. Gillespie, Mrs. H. Gray, Mrs. S. Haidasz, Mrs. D. Jamieson, Mrs. J. Jerome, Mrs. O. E. Lang, Mrs. J. Marchand, Mrs. P. Martin, Mrs. J. Munro, Mrs. D. Macdonald, Mrs. B. Mackasey, Mme. A. Ouellet, Mrs. G. Pelletier, Mr. M. Sauvé, Mrs. R. Stanbury, Mrs. E. Whelan.

LEGAL AGENTS RETAINED IN CONSTITUENCY OF YORK-SIMCOE, 1971-74

Question No. 2,406—**Mr. Stevens:**

For each year 1971, 1972, 1973 and 1974, what amount was paid to members of the legal profession in the Constituency of York Simcoe by the (a) Department of Justice (b) Department of National Health and Welfare (i) Health Protection Programme (ii) Food and Drug Programme (c) Veterans Land Act Administration (d) Solicitor General (e) Central Mortgage and Housing Corporation, including any fees paid by mortgagees out of the proceeds of CMHC funded mortgages and, in each case, what was the name and address of the lawyer?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Justice and the Central Mortgage and Housing Corporation as follows: (a), (b), (c) and (d), None. (e) Central Mortgage and Housing Corporation retained the lawyers listed below to handle mortgage documentation for loans approved in 1971 to 1974 in the Northern part of York County and the Southern part of Simcoe County. (Townships of King, Whitchurch, East Gwillimbury, North Gwillimbury, Adjala, Essa, Flos, West Gwillimbury, Innisfil, Medonte, Oro, Tecumseth, Tosorontio, Vespra.) 1971, Ross B. Linton, Newmarket. R. Noel Bates, Barrie. 1972, 1973, 1974, Harvey J. Bliss, Toronto. John A. Coates, Toronto. R. Noel Bates, Barrie. C. L. Wilson, Q.C., Barrie. Legal fees in connection with Central Mortgage and Housing Corporation direct loans are paid by the borrowers, and CMHC, therefore, has no record of the amounts paid to these lawyers. The following lawyers were retained to handle legal actions

for 1971 to 1974 for loans approved for the Northern part of York County and Southern part of Simcoe County: 1971—1974, D. M. de Monte, Q.C., Toronto. MacKinnon, McTaggart, Toronto. D. S. Sugg, Barrie. Where actions are settled prior to trial, the costs are paid by the borrower and Central Mortgage and Housing Corporation has no records of the amounts. The basic geographical units for the compilation of CMHC data are the municipality and county, and not Federal electoral constituencies. The data are governed by individual loans approved under the various sections of the National Housing Act, and not by the places of those who provide professional services.

DREE—GRANTS TO ENTERPRISES IN CONSTITUENCY OF TÉMISCAMINGUE

Question No. 2,507—**Mr. Caouette (Témiscamingue):**

1. In the past ten years, how much has the Department of Regional Economic Expansion paid to enterprises in the Constituency of Témiscamingue?

2. How many projects received grants and, in each case, what was the amount involved?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1 and 2. The Department of Regional Economic Expansion has paid money to enterprises in the Constituency of Témiscamingue under the ARDA program and through its regional development incentives program. As regards ARDA II, no request was made between 1965-66 and 1969-70. The total paid during the years 1970-71 and 1974-75 under the ARDA III program for agriculture and forestry projects was $4,000,239. The amount paid for projects connected with tourism, mining and industry under the ARDA III program during the period 1970-75 was $1,677,944. The total amount of grants offered and accepted under the industrial grants program (RDIA) was $9,794,955. The grand total amounts to $15,473,138.

ARDA II Program — No request 1965/66—1969/70

ARDA III Program — Agriculture and forestry—1970/71—1974/75

Agriculture	Fed. share approved	Already paid
**Financial aid-farm expansion	733,791	733,791
*Stimulation of diversification of production	155,000	70,479
*Conseil Régionale de Developpement Abitibi-Témiscamingue	10,000	10,000
*Aid to beef-cattle producers	9,750	9,750
*Agricultural development plan	100,000	100,000
*Technical assistance	287,500	193,634
*Land use adjustment	492,500	326,138
*Consolidation (milk)	258,400	206,720
Sub-Total	2,046,941	1,650,512
Forestry		
*Access roads to forestry resources	1,080,000	983,005
*Master plan for forestry development	15,500	14,110
*Replanting, scarification	231,500	125,029
*Silviculture	591,100	591,087
*Private wood-lots	850,000	492,082
*Forest inventory	144,500	144,414
Sub-Total	2,912,600	2,349,727
Tourism		
*Wild-life surveys	65,000	65,000
***Development of Pioneers Park	65,000	65,000
***Ville-Marie camping	350,000	38,000
Sub-Total	480,000	168,000
Mines		
*Alluvial research	471,865	471,865
*Geophysic research	682,500	639,995
*Electromagnetic surveys	495,000	310,978
*Structure, stratigraphy and correlation of volcanic rocks	62,500	29,623
*Sampling of stream sediments	120,000	34,300
Sub-Total	1,831,865	1,486,761
Industrial Development		
***Cost-benefit study of CIP plant	2,128	2,128
*Technical assistance to small and medium-sized enterprises	21,055	21,055
Sub-Total	23,183	23,183
Grand Total	7,294,589	5,678,183

*Projects covering more than one county in North-Western Quebec.
**Projects covering the province.
***Projects covering Témiscamingue only.
N.B. For the projects covering more than one county, the figures shown apply to the whole area served by the project (i.e. all the counties).

RDIA

Incentives Offered and Accepted

Bradley Bros Limited—Noranda	$ 18,400
Bradley Bros Limited—Noranda	14,150
Coopérative Forestière du Témiscamingue—Bearn	653,588
Geli-Son Inc.—Evain	18,200
J. Cossette Soudeur Général Limitée—Rouyn	48,875
Noranda Mines Limited—Noranda	3,522,000
Northern Timber (1971) Limited—Rouyn	30,000
Northern Timber (1971) Limited—Rouyn	29,000
Phil Gaudreault & Fils Limitée—Rouyn	31,250
Quebec Hardwoods Inc.—Témiscamingue	117,456
Salaison Rivard Limitée—Rouyn	132,001
Tembec Forest Products—Témiscamingue	4,872,250
Temisko Inc.—Notre-Dame-du-Nord	272,065
Wood Preservation Industries—Rouyn	35,720
Total	$ 9,794,955

PRIME MINISTER'S RESIDENCES—EXPENDITURES FOR SUPPLIES

Question No. 2,523—**Mr. Cossitt:**

Since April 20, 1968, what was the total of public funds spent at the (a) Prime Minister's official residence, 24 Sussex Drive (b) Prime Minister's summer residence, Harrington Lake, for (i) supplies, including food (ii) alcoholic beverages?

Right Hon. P. E. Trudeau (Prime Minister): See Appendix "Q", Issue No. 36, dated May 20, 1975, of the Minutes of Proceedings and Evidence of the Standing Committee on Miscellaneous Estimates. The supplies

column includes food, cleaning materials, non alcoholic beverages, etc. The sundries column includes, among other items, alcoholic beverages for official entertainment purposes. Over the past seven years, the purchase of alcoholic beverages for purpose stated averages $2,055 per annum. It should be noted that the expenditures listed in Appendix "Q" referred to above have been paid annually from government funds since fiscal year 1951-52.

CNR HOTELS—HIGH LOSSES AND LOW RATES OF RETURN

Question No. 2,550—**Mr. Mazankowski:**

1. What are the reasons for the high losses and the low rates of return on constructed investment realized by CN Hotel (a) Beauséjour, which lost $388,491 in 1973 and $96,588 in 1974 (b) Fort Garry, which lost $186,091 in 1971, $265,868 in 1972, $157,460 in 1973 and $160,218 in 1974 (c) Macdonald, whose rate of return has ranged from 0.2 to 0.5% during the past four years (d) Nova Scotian, which lost $277,120 in 1974 compared to a $178,267 profit in 1973?

2. Is it expected that the hotels will become profitable enterprises and, if so, on what date?

3. What steps are presently being considered towards achieving profitability?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. (a) During the first two years special expenses were incurred associated with the opening of this hotel. (b), (c), (d) The unsatisfactory results of these three hotels are directly attributable to the increased competition from new hotel construction by others and from improvements to the CN hotels to keep them competitive with the new properties.

2. Except for the Fort Garry, on the basis of present estimates all hotels are expected to become profitable within the next two or three years.

3. General and specific promotion of the hotel chain, completion of renovation programs, and expansion of certain revenue producing facilities.

INCREASE IN BUDGET DND FOR PURPOSE OF SERVICING DEPARTMENTS

Question No. 2,606—**Mr. Forrestall:**

Has the government given any consideration to increasing the budget of DND for the purpose of servicing the requirements of other departments in remote sensing field using the DASH-7 and (a) if not, for what reason (b) if so, what is the result of the consideration?

Hon. Jean Chrétien (President of Treasury Board): The government has considered but has not yet decided the desirability of having DND provide remote sensing services, using the DASH-7, to other departments.

CBC—FUNDS ALLOCATED ANNUALLY

Question No. 2,630—**Mr. Caouette (Témiscamingue):**

1. What amounts have been allocated annually by the government to the operation of CBC for the English and French networks since their inception?

2. What average percentage of the taxpayers' income tax do the amounts represent?

[Mr. Trudeau.]

Hon. Jean Chrétien (President of Treasury Board): 1. The government approves the allocation of annual funds to the CBC, but this is a total amount for the capital and operating costs of the Corporation and is not divided into specific amounts for French and English language activities of the CBC. The figures listed below include the amounts from receiving licence fees, broadcast licence fees, excise tax on receiving sets and parts and grants. For the period 1965-74 inclusive, loans received for capital construction were included, but excluded were the amounts provided in operating grants for the repayment of the loans.

($000's)

1937	742	1956	29,429
1938	1,897	1957	37,565
1939	2,652	1958	41,631
1940	2,906	1959	57,380
1941	3,140	1960	58,560
1942	3,485	1961	64,872
1943	3,702	1962	76,466
1944	3,788	1963	79,045
1945	3,783	1964	85,710
1946	3,774	1965	100,119
1947	3,906	1966	107,517
1948	4,798	1967	141,413
1949	5,135	1968	157,913
1950	5,481	1969	166,574
1951	5,572	1970	185,635
1952	12,091	1971	165,000
1953	11,975	1972	182,152
1954	23,285	1973	218,783
1955	28,014	1974	179,413

2. The figures were taken from the Public Accounts of Canada. They include personal income tax, corporations' income tax and taxes on dividends and interests.

($000's)

*Year	Personal	Corporation	Dividends	Total Income Tax	%
1956	1,185.6	1,027.7	66.2	2,279.5	1.29
1957	1,400.5	1,268.3	76.4	2,745.2	1.36
1958	1,499.8	1,234.8	64.3	2,796.9	1.48
1959	1,353.5	1,020.6	61.2	2,435.3	2.35
1960	1,566.6	1,142.9	73.4	2,722.9	2.10
1961	1,711.2	1,276.6	88.2	3,076.0	2.11
1962	1,792.7	1,202.0	112.3	3,107.0	2.46
1963	1,744.6	1,182.8	129.2	3,056.6	2.58
1964	1,865.1	1,259.0	124.5	3,248.6	2.63
1965	2,103.3	1,523.8	143.7	3,770.8	2.65
1966	2,142.5	1,606.2	170.0	3,918.7	2.74
1967	2,473.8	1,593.2	203.6	4,270.6	3.31
1968	2,849.6	1,670.6	220.5	4,740.7	3.33
1969	3,356.4	2,030.0	205.0	5,591.4	2.98
1970	4,085.1	2,612.0	248.5	6,945.6	2.67
1971	4,696.5	2,218.5	258.2	7,173.2	2.30
1972	5,582.0	2,183.1	287.7	8,052.8	2.26
1973	7,172.8	2,653.5	291.8	10,118.1	2.16
1974	7,925.8	3,411.0	323.7	11,660.5	2.39

*Fiscal year ending March 31.

DEPARTMENT OF SOLICITOR GENERAL—CONTRACTS AWARDED TO SECUREX LIMITED, MONTREAL

Question No. 2,644—**Mr. MacKay:**

1. In the years 1973, 1974 and 1975, were any contracts awarded by the Department of the Solicitor General to Securex Limited of Montreal and, if so (a) in what amounts (b) for what periods (c) for what specific services?

2. In each case, were tenders called and (a) if not, for what reason (b) if so, who were the other firms who submitted tenders and did Securex submit the lowest bid?

3. Were any contracts awarded to Securex terminated before the expiry date and, if so, for what reason?

Hon. Warren Allmand (Solicitor General): Nil.

PURCHASE OF AIRCRAFT

Question No. 2,685—**Mr. Forrestall:**

Does the government, as a matter of policy, require departments other than DND to contribute towards the capital cost of purchasing aircraft which will be operated by DND but will be available for use by departments in the pursuit of their respective objectives and (a) if not, for what reason (b) if so, on what date was the policy announced and where may it be obtained?

Hon. Jean Chrétien (President of Treasury Board): No. DND aircraft are provided primarily to meet the operational requirements of the Department and are financed from the DND capital budget.

PURCHASE OF ARGUS AIRCRAFT

Question No. 2,688—**Mr. Forrestall:**

Will the government require departments other than DND to contribute towards the capital costs of acquiring a replacement for the Argus aircraft and (a) if not, for what reason (b) if so (i) which departments (ii) on what basis (iii) what is the present estimate of such contribution, if any?

Hon. Jean Chrétien (President of Treasury Board): Current policy is to finance procurement from the capital budget of the department having the primary need for the aircraft. In the case of the replacement for the Argus Aircraft, the government is now considering the desirability of charging to other departments the costs of additional DND aircraft procured to meet their needs.

PRODUCTION OF MOVIE "SWEET MOVIE"

Question No. 2,698—**Mr. Woolliams:**

Who authorized the production of the movie "Sweet Movie" in which the Canadian Film Development Corporation invested $115,000 (a) where was it filmed and produced (b) were the participants Canadian actors and actresses and, if not, what nationality were they (c) in what cities in Canada, if any was it shown?

Hon. Hugh James Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: "Sweet Movie" was produced by two independent companies: Mojack Films (a Canadian Company) and V.M. Productions (a French Company). (a) France, Holland and Canada. (b) Some Canadian actors and actresses were included in the cast; the majority came from Holland and France. (c) In Montreal.

CFDC INVESTMENT IN FILM "SWEET MOVIE"

Question No. 2,699—**Mr. MacLean:**

1. Has the Canadian Film Development Corporation an investment in the film "Sweet Movie" and, if so, what is the amount of such investment?

2. Was the investment approved by the Advisory Committee to the Corporation?

3. What are the criteria applied when judging the suitability of a film before it is chosen to be subsidized or invested in by the Canadian taxpayer?

4. Is the nondiscriminatory policy of the Corporation so extreme that it is impossible for them to distinguish between cinematic artistry and perversion?

Hon. Hugh James Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: 1. Yes. The Corporation does not disclose the amount of its investments in individual feature films.

2. The investment was approved by the members of the Corporation.

3. The members and the staff of the Corporation take into consideration the scenario of the proposed film, the previous experience of the proposed producer and director, the cast, the budget, the distribution arrangements and other financial details before it decides to invest in any project which is proposed to it.

4. See answer to 3.

FOREST PRODUCTS TERMINAL, SAINT JOHN, NEW BRUNSWICK

Question No. 2,771—**Mr. Landers:**

With respect to the government's commitment to complete the forest products terminal in Saint John, New Brunswick (a) on what date will Treasury Board sit down with the National Harbours Board and complete the financial details (b) will tenders be called?

Hon. Jean Chrétien (President of Treasury Board): The government has not made a commitment to complete the forest products terminal in Saint John, New Brunswick. (a) Not applicable; (b) Not applicable.

AMOUNT OF GOVERNMENT TAX MONEY SPENT BY CFDC ON "SWEET MOVIE"

Question No. 2,803—**Mr. Jones:**

1. How much government tax money was used by the Canadian Film Development Corporation for the production of the movie "Sweet Movie"?

2. Is this an example of how the permissive attitude of government is wasting hundreds of thousands of dollars on insane, filthy productions?

3. When is this policy of the government going to stop?

Hon. Hugh James Faulkner (Secretary of State): 1. I am advised by the Canadian Film Development Corpora-

tion that it is not its policy to make public the amount of its investment in an individual film.

2. To attempt to answer part 2 would be to accept the premise on which the question is posed, which the government does not do.

3. See 2.

PUBLIC SERVICE—PERSONNEL HIRED TO IMPLEMENT BILLS C-11 AND C-20

Question No. 2,824—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Department of the Secretary of State for duties relating primarily to the implementation and administration of (i) Bill C-11, An Act respecting the national anthem of Canada (ii) Bill C-20, An Act respecting citizenship?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. Hugh James Faulkner (Secretary of State): 1. (a) (i) and (ii) Nil. (b) (i) and (ii) Nil.

2. Not applicable.

BRITISH COLUMBIA PENITENTIARY DISTURBANCE JUNE 9-11, 1975

Question No. 2,836—**Mr. Reynolds:**

With reference to section 214(2) of the Criminal Code, have the three inmates at the British Columbia Penitentiary involved in the disturbance between June 9 and 11, 1975, that led to the death of Mary Steinhauser, been charged with capital murder and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): From the information available at this time with reference to this particular case, it appears that the decision as to whether these persons will be charged and as to what charges will be laid against them is under consideration by the crown attorney.

PUBLIC SERVICE—APPOINTMENTS TO BILINGUAL POSITIONS

Question No. 2,853—**Mr. Herbert:**

During the calendar year 1974, of the 19,773 appointments by the Public Service Commission to bilingual positions (a) what percentage of the 10,900 (55.1%) appointees who claimed French as their preferred working language (b) what percentage of the 8,873 (44.9%) appointees who claimed English as their preferred working language were considered competently bilingual upon appointment to the bilingual positions?

Hon. Hugh James Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: (a) Of the 55.1 per cent appointees who claimed French as their preferred working language, 95.5 per cent were bilingual upon appointment to the bilingual positions. (b) Of the 44.9 per cent appointees who claimed English as their preferred working language, 68.8 per cent were bilingual upon appointment to the bilingual positions.

[Mr. Faulkner.]

GRANT TO SOCIETY FOR STUDY OF THE HERITAGE OF CANADA

Question No. 2,873—**Mr. Elzinga:**

Of the $159,288 given to the Society for the Study of the Heritage of Canada to operate "Canada Together", a programme of visits to Ottawa by Senior Citizens, how much was distributed to each province and territory in 1974?

Hon. Hugh James Faulkner (Secretary of State): The provincial breakdown of the $159,288 given to the Society for the Study of the Heritage of Canada to operate "Canada Together" in 1974 is as follows: British Columbia, 78 participants, $16,032; Alberta, 61 participants, $12,538; Saskatchewan, 46 participants, $9,454; Manitoba, 43 participants, $8,838; Ontario, 266 participants, $54,672; Quebec, 195 participants, $40,078; New Brunswick, 29 participants, $5,961; Nova Scotia, 33 participants, $6,782; Prince Edward Island, 8 participants, $1,644; Newfoundland, 13 participants, $2,671; Yukon, 1 participant, $206; Northwest Territories, 2 participants, $412; Total, 775 participants, $159,288.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF TRANSPORT—NUMBER OF CONSULTANTS HIRED

Question No. 2,090—**Mr. Howie:**

From April 1, 1974 to February 21, 1975 in the Department of Transport (a) how many consultants were hired (b) what were the terms of reference, time and length of the work assignment (c) what amount was paid to each?

Return tabled.

RCMP

Question No. 2,170—**Mr. Leggatt:**

1. Does Mr. R.P. Bourne, Assistant Deputy Minister, Police and Security, Planning and Analysis, have regular meetings with representative of the RCMP?

2. Does Mr. Bourne exchange information with the RCMP which his group has collected on individuals or groups?

3. (a) Which departments have a security group (b) to whom do such groups report (c) what are their specific functions?

4. (a) Does Police and Security, Planning and Analysis, have overall responsibility for government security procedures (b) can they override departmental security measures?

5. Have Mr. R.P. Bourne and Col. W.J. Dabros ever served together in the Armed Forces and, if so (a) in what locations (b) what were the duties of each?

6. (a) What was Mr. P. Wallace's previous employment before joining Police and Security, Planning and Analysis (b) what are his specific duties now?

7. What was (a) Mr. R. Gaudet's (b) Mr. R. Harris' (c) Mr. J.R. Armit's previous employment before joining Police and Security, Planning and Analysis and, in each case, what is his present area of responsibility?

8. Did Police and Security, Planning and Analysis, ever collect information on the Seamen's International Union and, if so, what was this information?

9. Did Police and Security, Planning and Analysis ever collect information on any of the people charged in the recent dredging contracts and, if so, what was this information?

10. In the briefing held in Vancouver on May 25, 1972, delivered by Mr. R. Bourne and Mr. John Starnes, did Mr. Robert Bonner, former Attorney-General of British Columbia and Mr. Hugh Martin of Marwell Dredging Company attend and, if so, what was the purpose of their attendance at this meeting?

11. Did Col. W.J. Dabros relinquish his appointment as Director of Security on August 4, 1974 and, if so, what is he presently doing?

12. What personnel service contracts will be outstanding as of April 1, 1975 from (a) National Parole Board (b) Canadian Penitentiary Services (c) Royal Canadian Mounted Police?

Return tabled.

LEGAL AGENTS RETAINED BY CMHC OR DEPARTMENT OF JUSTICE

Question No. 2,232—**Mr. Beatty:**

1. What were the names and addresses of lawyers in Ontario given work by CMHC or the Department of Justice for the fiscal year (a) 1973-74 (b) 1974-75?

2. In each case, what was the total amount of money paid to each individual in each fiscal year?

Return tabled.

CANADA'S ASSISTANCE TO UNDERDEVELOPED COUNTRIES

Question No. 2,477—**Mr. Gauthier (Roberval):**

1. For the past five years, to which under-developed countries has Canada given assistance and, in each case (a) what was the amount of the contribution (b) what was the amount of the loans (c) what was the interest rate?

2. What type of technical assistance has been extended to such countries (a) what was the amount of the contribution in each case (b) what was the purpose of assistance?

3. What type of academic assistance has been extended to such countries (a) what was the amount of the contribution in each case (b) to what academic levels was the assistance directed?

4. What were the amounts of Canada's contributions to such countries through international associations or agencies of which this country is a member?

Return tabled.

Mr. Stanbury: Mr. Speaker, I rise on a point of order to object to the request of the parliamentary secretary. I take exception to the manner in which question No. 2,764 is to be answered. I point out that the question is of considerable public interest. The very purpose of asking that question was to have placed on the public record the manner in which various countries of the United Nations are keeping their commitments for the agreed, universal sharing of costs of the United Nations peacekeeping effort in the Middle East. The figures will demonstrate that even the great powers are tens of millions of dollars in arrears under their obligations to finance these peackeeping operations.

Canada is one of the very few countries of the world which contributes to these forces. It is our obligation to our own taxpayers, to those of other countries and to the participants in these forces to bring to public and world attention, and particularly to the attention of this parliament, the degree of good faith with which countries have undertaken those obligations to finance the forces and the progress they are making in keeping up those financial commitments.

I draw to the parliamentary secretary's attention the fact that a similar question, No. 2,438, relating to the state of affairs as of April 30, 1975, has not been answered. The question being answered relates to the state of affairs at the end of May, 1975. My question No. 2,909 relates to the state of affairs at the end of June. I give notice that I intend to continue placing similar questions on the order paper so that there will be an opportunity to know at the end of each month what is the state of affairs. This month, at least, I believe it is important for the answer to be treated in the normal way. It is not excessively long in relation to many answers which have appeared in *Hansard* in the past and I ask that it be treated in the usual way.

Mr. Speaker: Order, please. The hon. member can withhold his agreement when the parliamentary secretary asks if his question is to be treated as an order for return. We have been over this difficulty previously. Sometimes hon. members are not fully forewarned that questions which are to be transferred and treated as orders for return are their questions. In the circumstances, perhaps the proper solution would be for hon. members to consent to treating the answer to the question which was deemed to have been made an order for return as if it had been read and, accordingly, to consent to its being transcribed in *Hansard* in the usual way. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Editor's Note: The answer referred to above is as follows:*]

UNITED NATIONS FORCES—ACCOUNTS

Question No. 2,764—**Mr. Stanbury:**

As of May 31, 1975 (a) what amount was owing by each country in arrears of payment of the special United Nations assessment for maintenance of the UN Emergency Force and the UN Disengagement Observer Force in the Middle East (b) how much has Canada received on account of its contributions to these forces (c) what amount is owing to Canada on this Account?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): (a) The arrears owing by members of the United Nations in respect of assessments for the United Nations Emergency Force and the United Nations Disengagement Observer Force in the Middle East, as of May 31, 1975, are shown on the attached list. (b) As of May 31, 1975, Canada had received $3,636,548 from the United Nations as reimbursement for personnel and air support costs incurred in connection with peacekeeping operations in the Middle East. (c) Canada has submitted bills in the amount of $3,902,414 in respect of personnel costs and material and services supplied to the United Nations. The United Nations has agreed upon a formula of $500 per man per month, of which it has made payments on account of $400 per man per month for the first six months of the operation and $200 for the second six months. It is not possible to give a definitive figure for the total amount owing to Canada, since negotiations are continuing between the troop contributors and the United Nations Secretariat on the qualifications for specialist pay and the modalities of reimbursement for the provision of certain material and services by Canada.

Order Paper Questions

United Nations Emergency Force—1973

(including the United Nations disengagement observer force)

Unpaid contributions of member states as at 31 May 1975

(In US dollars)

Balance due:	For the year ended October 24, 1974	For the six months ended April 24, 1975	For the three months ending July 24, 1975	Total
	$	$	$	$
1. Afghanistan	—	—	400	400
2. Albania	3,198	1,603	802	5,603
3. Algeria	7,983	6,413	3,206	17,602
4. Argentina	83,733	66,532	33,265	183,530
5. Australia	—	824	288,000	288,824
6. Austria	—	—	112,000	112,000
7. Bahamas	—	1,202	802	2,004
8. Bahrain	—	—	802	802
9. Barbados	—	—	802	802
10. Belgium	207,900	420,000	210,000	837,900
11. Bhutan	—	—	400	400
12. Bolivia	3,198	1,603	802	5,603
13. Botswana	996	800	400	2,196
14. Brazil	123,138	61,722	30,861	215,721
15. Bulgaria	—	11,222	5,611	16,833
16. Burma	—	—	1,202	1,202
17. Burundi	1,596	800	400	2,796
18. Byelorussian Soviet Socialist Republic	91,080	184,000	92,000	367,080
19. Cambodia	3,198	1,603	802	5,603
20. Canada	—	—	636,000	636,000
21. Central African Republic	3,198	1,603	802	5,603
22. Chad	1,596	800	400	2,796
23. Chile	13,972	11,222	5,611	30,805
24. China	5,072,572	2,542,643	1,271,321	8,886,536
25. Colombia	6,348	12,826	6,412	25,586
26. Congo	3,198	1,603	802	5,603
27. Costa Rica	3,198	1,603	802	5,603
28. Cuba	11,517	8,818	4,408	24,743
29. Cyprus	—	—	802	802
30. Czechoslovakia	176,220	356,000	178,000	710,220
31. Dahomey	1,596	800	400	2,796
32. Democratic Yemen	401	800	400	1,601
33. Denmark	—	—	126,000	126,000
34. Dominican Republic	1,996	1,603	802	4,401
35. Ecuador	1,996	1,603	802	4,401
36. Egypt	—	—	4,809	4,809
37. El Salvador	3,198	1,603	802	5,603
38. Equatorial Guinea	3,198	1,603	802	5,603
39. Ethiopia	—	—	400	400
40. Fiji	794	1,603	802	3,199
41. Finland	—	—	84,000	84,000
42. France	—	—	1,354,535	1,354,535
43. Gabon	1,996	1,603	802	4,401
44. Gambia	1,996	1,603	802	4,401
45. German Democratic Republic	—	—	244,000	244,000
46. Germany, Federal Republic of	—	—	1,420,000	1,420,000
47. Ghana	—	3,207	1,603	4,810
48. Greece	12,697	25,651	12,825	51,173
49. Guatemala	2,994	2,405	1,202	6,601
50. Guinea	—	600	400	1,000
51. Guyana	—	—	802	802
52. Haiti	1,596	800	400	2,796
53. Honduras	—	1,301	802	2,103
54. Hungary	—	—	13,226	13,226
55. Iceland	—	—	4,000	4,000
56. India	—	—	48,095	48,095
57. Indonesia	—	—	7,615	7,615
58. Iran	—	—	8,015	8,015
59. Iraq	4,989	4,008	2,003	11,000
60. Ireland	—	60,000	30,000	90,000
61. Israel	—	—	8,416	8,416
62. Italy	1,792,800	1,440,000	720,000	3,952,800
63. Ivory Coast	1,996	1,603	802	4,401
64. Jamaica	794	1,603	802	3,199
65. Japan	—	—	1,430,000	1,430,000
66. Jordan	—	—	802	802
67. Kenya	—	717	802	1,519
68. Kuwait	—	—	3,607	3,607
69. Laos	1,596	800	400	2,796
70. Lebanon	2,994	2,405	1,202	6,601
71. Lesotho	—	—	—	—
72. Liberia	794	1,603	802	3,199
73. Libyan Arab Republic	17,590	8,818	4,408	30,816
74. Luxembourg	—	—	8,000	8,000
75. Madagascar	—	—	766	766
76. Malawi	—	—	400	400
77. Malaysia	—	—	2,805	2,805
78. Maldives	1,596	800	400	2,796
79. Mali	996	800	400	2,196
80. Malta	—	—	802	802
81. Mauritania	—	1,184	802	1,986
82. Mauritius	1,996	1,603	802	4,401
83. Mexico	34,123	68,937	34,468	137,528
84. Mongolia	794	1,603	802	3,199
85. Morocco	5,916	4,810	2,404	13,130
86. Nepal	—	800	400	1,200
87. Netherlands	—	—	248,000	248,000
88. New Zealand	—	—	56,000	56,000
89. Nicaragua	1,996	1,603	802	4,401
90. Niger	—	—	284	284
91. Nigeria	9,979	8,016	4,007	22,002
92. Norway	5,155	172,000	86,000	263,155
93. Oman	—	—	802	802
94. Pakistan	5,555	11,222	5,611	22,388
95. Panama	—	—	802	802
96. Paraguay	3,198	1,603	802	5,603
97. Peru	2,777	5,611	2,805	11,193
98. Philippines	—	—	7,214	7,214
99. Poland	—	—	252,000	252,000
100. Portugal	119,700	60,000	30,000	209,700
101. Qatar	—	—	802	802
102. Romania	11,903	24,048	12,023	47,974
103. Rwanda	1,596	800	400	2,796
104. Saudi Arabia	2,404	4,810	2,404	9,618
105. Senegal	—	800	400	1,200
106. Sierra Leone	—	—	802	802
107. Singapore	—	—	1,603	1,603
108. Somalia	1,596	800	400	2,796
109. South Africa	249,000	200,000	100,000	549,000
110. Spain	39,281	79,357	39,678	158,316
111. Sri Lanka	—	—	1,202	1,202
112. Sudan	996	800	400	2,196
113. Swaziland	3,198	1,603	802	5,603

Balance due:	For the year ended October 24, 1974	For the six months ended April 24, 1975	For the three months ending July 24, 1975	Total
	$	$	$	$
114. Sweden	—	—	—	—
115. Syrian Arab Republic	3,198	1,603	802	5,603
116. Thailand	10,977	8,818	4,408	24,203
117. Togo	3,198	1,603	802	5,603
118. Trinidad and Tobago	3,198	1,603	802	5,603
119. Tunisia	1,996	1,603	802	4,401
120. Turkey	11,506	23,246	11,623	46,375
121. Uganda	396	800	400	1,596
122. Ukrainian Soviet Socialist Republic	338,580	684,000	342,000	1,364,580
123. Union of Soviet Socialist Republics	2,968,027	5,996,014	2,998,007	11,962,048
124. United Arab Emirates	1,996	1,603	802	4,401
125. United Kingdom of Great Britain and Northern Ireland	—	—	1,227,403	1,227,403
126. United Republic of Cameroon	1,996	1,603	802	4,401
127. United Republic of Tanzania	396	800	400	1,596
128. United States of America	5,720,946	11,557,467	5,778,734	23,057,147
129. Upper Volta	1,596	800	400	2,796
130. Uruguay	5,987	4,810	2,404	13,201
131. Venezuela	31,936	25,651	12,825	70,412
132. Yemen	1,596	800	400	2,796
133. Yugoslavia	13,490	27,254	13,626	54,370
134. Zaire	1,996	1,603	802	4,401
135. Zambia	108	1,603	802	2,513
Total Balance due:	17,302,724	24,260,678	19,739,448	61,302,850

Mr. Speaker: Order, please. I overlooked the motion standing under motions on the order paper in the name of the President of the Privy Council (Mr. Sharp).

Mr. Baldwin: Mr. Speaker, I am prepared to second it.

Mr. Speaker: I understand that the motion is to stand. May we consider the motion as having been called?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, why should it stand? I believe, if the minister were to ask for unanimous consent, it would pass now, without debate.

Mr. Sharp: Mr. Speaker, as long as we pass Bill C-66 and Bill C-2, we will agree.

Mr. Knowles (Winnipeg North Centre): No way!

Mr. Baldwin: Let's not have blackmail.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed, from Thursday, July 17, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will not detain the House long on this matter. I will have other opportunities during the days that lie ahead to participate one way or another in this debate.

An hon. Member: You mean in the weeks ahead.

Mr. Baldwin: I am pleased to observe members on the government side intervening. I have listened to some of their contributions and read others. Although they are totally unconvincing as to logic and fact, and although their findings, arguments, submissions and conclusions are asinine, it is interesting to note that they are being driven by the wave of outrage and indignation from their constituents to take part in the debate. That wave of outrage and indignation is finally compelling them to become involved in the debate and answer some of our logical observations. In these warm and mellow summer months we may observe that this will be a debate in which both sides of the House participate. Until a few days ago that was not the case.

Mr. Stanfield: And we have lots of time.

Mr. Baldwin: I do not intend to deal, basically, with the substance of the excise tax. That subject has been dealt with by other hon. members. It has already been demonstrated beyond doubt that this is a wicked, iniquitous measure.

Some hon. Members: Hear, hear!

Mr. Baldwin: Nor will I associate myself with the completely false suggestion made by the Minister of Finance (Mr. Turner) that this measure involves certain elements of energy conservation. That is one of the most stupid, one of the most ridiculous arguments I have ever heard advanced in this House—and I am not forgetting the many demonstrations of stupidity and ignorance from time to time on the part of the front benches opposite. I wish to direct the attention of the House to one phase of this bill which has been neglected. Hopefully, I can do this before one o'clock. I refer to the matter of exemptions and the question of who should receive rebates.

● (1250)

A cursory examination of what has happened with regard to this measure shows the improvisation, the hasty, ill-conceived, badly prepared and poorly digested nature of this bill which the Minister of Finance took to cabinet with the paste still dripping off it. It was a scissors-and-paste job if there ever was one. I formed those views on examination of the ways and means motion purely for the purposes of comparison. I dealt with this partly the other day in argument to Mr. Speaker. Paragraph 3 of the ways and means motion, (a) to (g) inclusive, lists seven areas where there should be exemptions. I ask hon. members of this House to observe the classes of people who are entitled to apply for and receive exemptions and rebates.

When we examine the original bill, not the reprint ordered by Mr. Speaker, clause 5(4) on page 3, in describing the categories and classes of people and corporations entitled to a rebate refers to paragraphs (a) to (j). In other words, when this bill came before cabinet, in addition to those classes that appear in the ways and means motion there were four other classes which the minister had recommended to cabinet as being available for rebate from the payment of the tax and had included them in the bill. This is quite plain, because clause 5 dealing with the amendment to section 47.1 of the Excise Tax Act has paragraphs (a) to (f). Paragraph (f) is the one which Mr. Speaker ordered to be thrown out. This leaves only five groups.

I point this out simply to establish that the people and corporations suggested as being entitled to a rebate were included so hastily that when the bill came before cabinet there was that degree of uncertainty about it. Cabinet or a cabinet committee obviously changed it materially, throwing out four of the categories and substituting the one which was included in the original bill, namely, those people and corporations covered by section 149 of the Income Tax Act.

I wish to take one minute to show the absolute absurdity of suggesting that those classes enumerated under section 149 of the Income Tax Act be covered. I will read very briefly from the headings in that particular section:

—a municipality in Canada—

That is fine. It was set out in the original ways and means motion and, of course, was carried forward by this section of the Income Tax Act.

—an agricultural organization, a board of trade or a chamber of commerce ... a charitable organization ... a corporation that was constituted exclusively for charitable purposes ... a trust all the property of which is held absolutely in trust ... the Association of Universities and Colleges of Canada, incorporated by chapter 75 of the Statutes of Canada ... a corporation that was constituted exclusively for the purpose of providing low-cost housing accommodation ... a corporation that was constituted exclusively for the purpose of carrying on or promoting scientific research ... a labour organization or society or a benevolent or fraternal benefit society or order ... a mutual insurance corporation ... a limited-dividend housing corporation ... a trust or corporation established or incorporated solely in connection with, or for the administration of, a registered pension fund or plan—

It goes on *ad nauseam*. I suggest that at the time the hasty insertion was made in cabinet of this particular clause from the Income Tax Act in place of those clauses which the cabinet had thrown out, absolutely no thought was given to this most important matter of who should be entitled to receive rebates of this tax.

Some hon. Members: Hear, hear!

Mr. Baldwin: This goes to the root of the matter. This is a tax of several hundred million dollars. Several classes of people should be entitled to receive rebates of the payment of that tax. Surely, when the Minister of Finance comes to this House he should have something better prepared than he had with regard to this particular question. It was a contempt of this House of Commons for the minister to come here with a bill in the form it was, asking this House to approve it. The bill should not have been brought into this House unless and until the Minister of Finance and the Minister of National Revenue (Mr. Basford) had put together a properly conceived program for those people entitled to rebates and the method to be adopted for paying them. Anything else should not be acceptable to this House and is not acceptable to this party.

In conclusion, I say to those who are attempting to blackmail and shove this bill forward by saying that no rebates can be paid, that that is not the case. Section 17 of the Financial Administration Act shows that there is now in place in the Statutes of Canada a method by which rebates can be made without this legislation being passed. I do not suggest the use of that particular procedure any more frequently than need be. However, when we are being blackmailed and told we must pass this bill promptly because there is no way in which people can get rebates, I say that is not so; I give the lie to those who make that assertion and say there is a method by which it can be done.

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in introducing the excise tax of ten cents a gallon for private automobile use of gasoline, the government has clearly indicated its failure to develop a comprehensive energy policy or even outline the bare bones of what might take place in the future. It is a tax which it will be difficult to impose fairly; it is a tax which is almost impossible to apply without "working a fiddle", as the saying goes; it is a tax which is so unfair that it does not include all those who travel, and at the same time does not allow the inclusion of those who have no alternative form of travel such as rapid transit. On the other hand, Mr. Speaker, if it is a tax designed to serve in the conservation of the environment, then it should apply to airplane travel as well as to the automobile.

Canada shares, along with Australia, the distinction of being the only industrialized country to increase its consumption of petroleum products last year. In the United States, the use of petroleum products dropped in 1974 by

4.5 per cent over 1973. This was at a time when we were reducing exports to the United States to conserve our own dwindling supplies and, to make matters much worse, when we were faced with a massive balance of payments deficit of upward of $6 billion, imports of petroleum making up a good percentage of this deficit. The use of petroleum products in the United States is currently being reduced but our use of petroleum products is increasing particularly in areas which are dependent upon offshore supplies.

In Canada there was an over-all rise of 1 per cent, with gasoline consumption rising by 2.8 per cent and gas diesel oil by 4.1 per cent. The consumption of fuel oil dropped by 8.6 per cent, which may well have reflected the mild winter or an effort at conservation on the part of individuals. The decline in the United States was the first in 32 years and it is said to result from the combined effects of product scarcity induced by the Arab embargo, warm weather in the early months, energy conservation efforts, higher product prices and a slowdown in the economy. Most of these factors apply to Canada, but prices were not so high and there was no lead toward conservation.

Today we received the announcement of the second phase of the foreign investment review legislation whose effect will be to further increase our balance of payments problems by discouraging investment in this country. There may well be good reason there should be selective investment in this country, but we do need to remember that we have a balance of payments deficit of $6 billion this year and it is forecast confidently that it will amount to at least $4.7 billion in 1976. Analysis of these figures suggests that Canadians are more aware of the need for conservation of our limited natural resources than are our governments. The crucial shortage in Canada in the energy field is leadership, both by the federal government and by other governments.

Mr. Speaker, this tax is directly brought about by the decline of exports to the United States, with resulting lessening of the yield of the tax to offset the cost of increased imports for Quebec and the maritime provinces. In effect, the government is charging the motoring public world prices for oil which amounts to 25 per cent or so of our total usage. But none of this tax will go to the producing provinces and none will go to the industry to find new sources of gas and oil. Indeed, the yield of this tax may well be used to fund Petro-Can by which the government intends to further intrude upon provincial rights and further intrude on the private oil industry. The minister could well have found enough money merely by withdrawing the activities of Petro-Can and Information Canada; by this means he would have found enough money to pay for the subsidy to eastern consumers.

Nevertheless, if there is any merit in this tax it would be that it signals a retreat from the position that there can be for any length of time a two-price system for oil and gas in Canada much below the world price, or at least the North American price. The use of the two-price system, particularly for diminishing resources like oil and gas, only encourages wasteful use, and industry becomes uneconomic. When finally it is exposed to world trading, it feels the blows; there is diminished activity in exploration and a lessening of the drive to find alternative sources of energy or to use those alternative sources.

The Science Council of Canada pointed out that we use the equivalent of 55 per cent of oil in energy, making us the second highest per capita users in the world. The factors listed as responsible for this high demand are our climate, our sparse population, a historically low price for energy, and our high standard of living extending to a proliferation of gadgets and benefits.

By resorting to this tax, the Minister of Finance (Mr. Turner) can only further antagonize the producing provinces as well as the consuming provinces. The producing provinces in the west might well complain that their diminishing resources are being sold at lower than competitive prices for which they will receive nothing in return. The producing provinces rightfully have a grievance here, even if they have been too greedy in their demands on the new value of oil. Alberta decided to take two-thirds of the new value of oil and gas, while Saskatchewan and British Columbia decided they should get almost all, with little or nothing for the producers.

The federal government's decision that Canadians should be insulated from much of the increase in OPEC costs was to hold western oil at a level of $6.50 per barrel. In November of 1974, the federal government put into effect a drastic move proposed in May of that year. It disallowed as an expense to oil, gas and other mineral producers every penny of the stiff royalties and other collections being taken by the provinces. The double-taxation measure levies income tax on resource companies in respect of money they do not receive. It drains away a sizeable part of the cash flow left to Alberta producers and leaves Saskatchewan and B.C. in an even worse position than before the OPEC price boost.

Alberta has made some move toward continuing exploration and development, but Saskatchewan and British Columbia have made only minor concessions. Ottawa is now in a spot of its own making. The export tax revenue has been sharply reduced as the government has overpriced Alberta and Saskatchewan oil in the United States market while restricting western production to the current 500,000 barrels a day, the low capacity in order to stretch out reserves for future eastern Canadian needs, and the Minister of Finance now has to charge ten cents a gallon to all the motoring public to maintain his eastern subsidy. All these manipulations by the federal and provincial governments—and the November budget was one of the worst factors—have meant reduced capital for exploration and development.

The increase in the field price of $1.50 per barrel, in the absence of some important changes in producer provinces and federal policies, simply adds to government revenues and leaves little for the industry. It is estimated that royalties and tax in the Alberta production would absorb 75 per cent of any price increase, and Saskatchewan and B.C. production would actually result in governments taking more than 100 per cent.

The recent budget changes of the Minister of Finance will not materially affect the incentive to producers to continue exploration. The Canadian petroleum industry now faces a jungle of rules and regulations, incentives and rebates. It is becoming the most complex system in the

world with its mish-mash of federal and provincial schemes. The $1.50 increase per barrel was estimated to return to the industry anything from zero to 40 cents, depending on how you figured it.

● (1410)

The plight of our oil industry can be summed up in a letter written to the shareholders of Madison Oils Limited by its president. Madison Oils is a small Canadian oil company, 99 per cent owned by Canadians, in which all governments have said they are interested. The president said:

The year 1974 will be remembered by all involved in the Canadian oil industry as the year in which the industry got caught in the midst of the dispute between the provincial governments of the oil producing provinces and the dominion government... a dispute in which both parties appear to have completely lost sight of the fact that in order to survive the industry must be allowed a return on investment commensurate with the risks taken.

Governments have abandoned long-standing approaches to taxing the industry and in their haste to grab the profits have also imposed double taxation on the industry. In Madison's case the production from two properties in Saskatchewan produced 5,124 barrels of oil during the period 1st January, 1974, and 30 April, 1975. This sold for a total of $30,970. Madison paid operating costs of $5,860 and royalties and other payments to the Saskatchewan government totalling $13,400—leaving the company with a mere $11,710—38 per cent of the gross. On top of this, since the oil is exported, the dominion government, via the "export tax" shaved off about $5 per barrel, taking a total of almost $26,000 and raising the price to the buyer to a total of approximately $57,000 on which basis Madison's share amounted to just over 20 per cent. Owing to the new double taxation rules the payments to the Saskatchewan government, lost to the company, are considered taxable income... so that for income tax purposes Madison is subject to tax on $11,710 plus $13,710; taxed at 45 per cent the payment due is $11,300—which were Madison in a taxable position (due to past losses we are not)—would leave Madison with $410 and the dominion government with $37,300. Had pre-1974 patterns continued we would, on the same oil, sold at the same price to the buyer, have been subject to royalty at 12½ per cent or so with the following result... total return, $57,000, operating costs, $5,860, royalty $7,125—leaving Madison with $44,815—instead of the pre-tax return of $11,710 which we received—a difference of $32,000 which would have permitted us to drill and complete one well somewhere, with the possibility of a discovery bringing us new income.

I think that sums up what this government has done to the oil industry. In the report of the Energy Board on Canadian natural gas supply and requirements recently tabled in the House, the board, which is a government appointed group, had this to say at page 84:

—a lack of adequate growth in deliverability resulting from low finding rates and from a lack of incentive for producers to explore for and develop new reserves because of inadequate and uncertain netback. Producers have moved drilling rigs and personnel to the United States and other areas where opportunities at this time appear to be more attractive. The decline in exploration and development activity starting two or more years ago is now being reflected in fewer reserves being available to maintain deliverability.

Further, they say:

An essential component of a solution to the problem of deliverability would appear to be a known system of pricing and a stable system of royalties and taxation adequate to provide producers with the incentive to carry out vigorous exploration and development programs.

Further, at page 86:

A further problem relates to the competition of the United States in particular, and the energy-short world in general, for drilling rigs, skilled personnel and investment funds. The uncertainty and lack of economic incentive on the Canadian scene in the past two years and the large exploration and development program under way in the United States under more favourable incentives, have caused an exodus of equipment, men and money south of the border.

[Mr. Ritchie.]

This tax has been made necessary only because the government has mismanaged the oil industry, and it is a tax that is most unpopular. It hits one segment of the motoring public that uses oil but is unfair in that it penalizes individuals who might live in areas where there is no public transport and who need their automobiles for daily commuting. It will bear more heavily on those who live in rural areas and must of necessity use their automobiles for even daily living, like trips to the grocery store.

If it has any value whatsoever, it must mean that the government should move within reason toward the world price for our highly valued oil and gas that are so very desirable. A two-price system has not prevented us from entry into a recessionary phase from which we may well be a long time emerging. Even today the industrial index has not bottomed out, and all indications are that Canada will lag far behind the United States in returning to a full-time industrial position.

During this coming recession it may well be necessary to raise the price of oil and gas to world levels, or even above, in order to encourage exploration and development of our energy sources. But, most of all, the federal government along with the provincial governments have not worked out a taxation structure that will likely ensure us a reasonably secure supply in the next few years.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on budget night the Minister of Finance (Mr. Turner) introduced a special excise tax on gasoline purchased for personal use. This ten cents a gallon tax is imposed on the producers and importers of gasoline and will be passed on to the consumer in its entirety. Provision will be made to refund the full amount of the tax on gasoline used for farming, fishing, construction, mining and most forms of commercial transportation.

There are a number of objectionable features to this tax with which I shall deal in a moment, but I suggest we cannot simply look at the tax alone. We have to look at the full range of proposals to change taxes which the minister has made and which I maintain will go a long way, by the time they are implemented, to wipe out most of the improvements in our social security system made by Liberal and Conservative governments over the last 25 years.

Let me make reference to some of the proposals of the minister. The hospital insurance plan, which was first begun by the province of Saskatchewan under a CCF government, was made a national plan really by a Conservative government which agreed to pay 50 per cent of a universal hospitalization plan that was implemented by a province. The minister has given notice that as soon as he can, the federal government will cease to pay the 50 per cent of the cost of hospitalization which it has paid since the commencement of the plan.

Similarly, in the case of medical insurance a number of provinces, particularly the province of Ontario, were, to say the least, loth to come into a medical insurance scheme. They thought that their people were adequately protected by the various voluntary plans in existence, and they felt that all they wanted from Ottawa was help in covering those people who had not seen their way clear to

joining a voluntary plan. At that time the federal government said—and I know they were right—that that was not good enough, that we must have a universal plan, one to which every citizen of a province belongs and by which he will receive protection against medical costs.

This was to be, and has been until now, a shared-cost program, with the federal government and the province each paying half. Now the minister has given notice that as soon as he can—which I think will be by 1985—Ottawa will no longer pay that 50 per cent, that there will be a limit on the amount Ottawa will pay in any year. If the increase in the actual cost is more than the federal government is prepared to pay, then obviously the provinces will have to meet the increase or cut the standard of services. The province of Manitoba calculates that its cost by the year 1985 to cover the shortfall from Ottawa for hospital and medical insurance will be between $40 million and $50 million a year. We should keep in mind that this is one of the smaller provinces.

● (1420)

Ottawa has been paying 50 per cent of the cost of post-secondary education, but this year that payment is being limited, in respect of an increase in any year, to a ceiling of 15 per cent. This year the provinces will receive $118½ million less than they would have received had the government not unilaterally imposed this ceiling. It is interesting to see that the province of Manitoba is hit the hardest. The province of Quebec, which has been faithful to the Liberal Party in electing members of parliament, this year will lose $82 million because of this unilateral decision of the federal government. The province of British Columbia will lose $20.7 million this year as a result of the decision to put a limit on the increase in respect of grants for post-secondary education.

We have heard much from Liberal prime ministers and Liberal ministers of national health and welfare about how great the Canada Assistance Plan is and the fact that it was a Liberal government which encouraged the provinces to consolidate and rationalize their social security programs under the Canada Assistance Plan. Ottawa paid 50 per cent of the cost. Now Ottawa says, quite unilaterally, that the days of the Canada Assistance Program are numbered. The federal government now proposes to replace the Canada Assistance Plan with a new series of acts including a proposed social services act. Under that act, the position of the federal government is that unless a province meets national guidelines it will not be permitted to receive 50 per cent of the cost of its programs from the federal government. That is a very worth-while objective.

If the provincial standards are lower than the standards set by the federal government, this would not be desirable, if this is one country in which we should have minimum standards which apply to every citizen regardless of where he lives. This limitation will also apply to any provinces which have programs in respect of which the standards are higher than the standards Ottawa has set for those provinces, so that the citizens of such provinces will begin to suffer as soon as Ottawa puts its intention into effect.

The Minister of National Health and Welfare (Mr. Lalonde) has been travelling from one end of the country to the other, talking very eloquently about income support programs and supplementation programs which the federal government proposes and in which they want the provinces to co-operate with them. Not once has the minister been willing to sit down with the provinces and estimate, with them, the cost of these programs. The programs about which he is talking may be good programs, but in light of what the Minister of Finance and the Prime Minister (Mr. Trudeau) intend to do with the shared-cost programs, it is not surprising that the provinces are at least suspicious.

Ottawa's timetable is very restrictive. The policy under the Canada Assistance Plan will go into effect in 1976-77, but the income supplementation program for the working poor, about which the Minister of National Health and Welfare has been talking, will not become effective until 1978. The time to protect people against inflation is now. The time to stimulate the economy is now. Now, when we have an unemployment figure of 8 per cent, is the time we need assistance. Yet now is the time when the federal government is beginning to put the screws on and is turning them very hard.

Let me speak for a few moments about another proposal of the minister. I refer to the proposal to increase the unemployment insurance premium. We have heard a great deal, from one end of the country to the other, both inside and outside parliament, about the supposed rip-off of the unemployment insurance plan by people who really do not want to work. I have said before, and I say again, that I am sure there are some who fall into that category. I think in cases where such people are found, they should be weeded out so that they do not receive benefits. I believe the number of people receiving benefits to which they are not entitled is not very large. I would not have been surprised had the minister come forward with proposals to try to tighten up the qualifications for benefits so that people who really are not trying to find work would not be able to obtain benefits. Although I would not have been enthused by such a proposal, I would not have been surprised.

The proposal we have from the minister, and I presume from the government as a whole, is that the premiums be increased in respect of all the people, including those who work regularly, the people with steady jobs. These people will have to pay more money every payday. These people form the backbone of this plan. Those who work regularly will have to pay for the benefits of the unemployed who to a large extent are a result of the economic policies designed by the government to create more unemployment. It could not have been a more unfair or a more regressive proposal. The minister, in effect, is taxing the wrong people through this increased unemployment insurance premium.

Let us look at the tax on gasoline. I said that it is regressive. It makes no difference whether the person concerned has an income of $6,000 a year, $30,000 a year or $60,000 a year; he or she will have to pay ten cents extra, in the form of an excise tax, on every gallon of gas used, with the exception that some people who are able to prove to the satisfaction of the Department of National Revenue that they use their cars for business will be able to obtain a refund of part of the excise tax. The percentage of the refund these people receive will depend on the type of

deduction they make in respect of automobile expenses for purposes of calculating their income tax.

● (1430)

This means that a doctor can probably get a refund of this tax, so can a lawyer, an architect or a salesman. They can all get refunds on all or part of this tax. But what about the worker who has no other means of getting to work except driving his car? He has no chance at all, although he is probably in the $6,000 or $7,000 a year category, as compared to the businessman who is in the $30,000 or $50,000 a year category. But, as has always been the case with Liberal governments and Liberal finance ministers, "to those that have shall be given."

One would have thought that if we are in a situation where it is obvious that we must begin to think about a more rational use of our resources—and one of the ways of conserving our resources would be to reduce the use of gasoline—we would have had an entirely different set of proposals from the minister. We should have had a serious attempt to implement, not wild ideas advanced by wide-eyed visionaries who have no practical experience with life or government, but the promises made by the Prime Minister in the election campaign last year.

Let me summarize a couple of speeches which the Prime Minister made, both of which were reported in the Montreal *Gazette*. On June 17, the Prime Minister, in a speech in Toronto, announced a $270 million program to aid public transit. He said the Liberal government would pay 100 per cent of the cost of Canadian-made commuter vehicles and 50 per cent of the cost of platforms and stations. The government would also pay 25 per cent of the cost of Canadian-manufactured vehicles for public transit within cities. Encouragement and assistance would be given to smaller municipalities in the creation of new transit systems. Canadian industry would be encouraged to develop passenger vehicles, and experimentation with new transit systems would be assisted by federal financing of demonstration projects.

The next day the Prime Minister was speaking in Cornwall, and he said that the Liberal government would take responsibility for rail passenger service out of the hands of CNR and CPR and entrust the task to a new Crown corporation. The corporation would run high-speed rail services in heavily populated areas such as the Windsor-Quebec City corridor, it would introduce luxurious transcontinental excursion trains and establish a super bus service between medium-sized cities.

Mr. Baker (Grenville-Carleton): Was that during the election?

Mr. Orlikow: Yes. Those were just two speeches the Prime Minister made. I wish I had more time to put on the record all the promises the Prime Minister made about what the Liberal government would do in the field of transportation. We have not seen hide nor hair of any of these promises. Has there been the slightest beginning in this respect? We do not have plans and proposals which would help the ordinary person. What we have is the kind of blunderbuss proposal that we are debating today, the ten cents tax on gasoline. One would think that ordinary citizens had a choice about whether or not they should use their cars. I will give just one illustration from my own city of Winnipeg because I know it best.

My son-in-law lives four miles due east of where he works. He can drive to work in the morning and drive back in the afternoon in less than ten minutes. But if he wanted to co-operate with the Minister of Finance and cut down on the use of his car, and if he wanted to use the public transit system, unfortunately for him the main direction of the transit system in the city of Winnipeg is not east-west but north-south. So if he wanted to go to work using the public transit system, he would have to take a bus, transfer twice, go all the way downtown and all the way back to his place of work. It would take him—I am speaking very cautiously and conservatively—about one hour and 15 minutes at the minimum, as compared to ten minutes by car.

Did the minister give any thought to that kind of problem? Of course not. All he was concerned about was to prove to the people of Canada that he was concerned about inflation. The hon. member for Scarborough West (Mr. Martin), when he spoke yesterday said, in effect, "You people in the opposition who are criticizing this tax are not facing up to the fact that this great Liberal government is pledged to protect those parts of Canada which have to to be served by imported oil, and this will help to pay the cost of subsidizing their expensive oil". What is the cost of that subsidy? It is about $350 million. The hon. member for Scarborough West said that the minister had to find the money and that is what the tax is for.

It is a laudable desire. People in the maritime provinces, the people in Quebec and all the people east of the Ottawa River should have assistance in keeping the price of oil and gas down. But was that the only place from which the minister could get the money? I do not believe that for a moment, because if one looks at the minister's budget of November, 1974, and then at his budget of June, 1975, one finds two illustrations of alternatives which the minister could have used. In his November, 1974, budget the minister extended to all corporations the fast write-off provision for the purchase of equipment. The loss of revenue to the federal government from that one measure alone, according to the minister, himself, for this current year is over $500 million. In his budget of June, 1975, the minister introduced a new investment tax credit for corporations. This will lead to a further loss of revenue to the federal government of at least $200 million this year.

In these two provisions alone the minister gave up over $700 million in revenue this year—twice as much as the minister will get from his ten cents a gallon tax. I say that that tax was, and is, unnecessary; it will bear down hardest on the people who can least afford to pay it. What will the tax mean to the ordinary citizen? It has been calculated by economists, and not challenged by the government or the minister, that the ten cents a gallon excise tax and the $1.50 increase on a barrel of crude oil, which the minister is approving, will increase the cost by 2 per cent: it will cost the motorist who drives 15,000 miles a year, and who gets 20 miles to the gallon in his car, between $75 and $90 a year to drive his car. The $1.50 a barrel increase in the price of oil will cost him $35 to $40 a year, and the cost of heating his home will increase by $60 a year. This, I assume, is just for cities such as Ottawa, Toronto, and

Montreal and does not apply to cities such as Edmonton and Winnipeg where it is much colder, and it certainly does not apply to the northern part of Canada where it is necessary to heat a home for six or more months a year.

● (1440)

These are the effects this excise tax will have on the ordinary citizen in this country. I have already indicated that the minister could have obtained the extra revenue he needed by not going ahead with the extra goodies he promised to corporations in the last year or two. He could also have increased the income tax. At least in theory, income tax is a progressive tax, if one can ignore all the little gimmicks which permit people in the upper income brackets to avoid paying their fair share of tax. At least in principle income tax is collected from those who are best able to pay. But no, the minister had to apply this tax which is very regressive.

The minister expressed the hope that the excise tax, combined with the increase which will be at least 5 cents per gallon and probably more, would encourage motorists to make their driving habits more efficient in terms of saving gasoline. There is no hard evidence that such price increases have anything but a temporary effect on consumption. The Statistics Canada table entitled "Canadian Crude Oil Requirements—Anticipated and Actual Refinery Receipts of Crude Oil" show that the demand for crude oil by refineries has been increasing every year and that there is a rigidity in the present patterns of gasoline consumption. From 1971 to 1975 there was an increase in refinery production from 51 million barrels to 68 million barrels—an increase of over 25 per cent. While that was happening, the price of oil was increasing from $4 to $6.50 per barrel and now it will be increased to $8 per barrel.

I could understand this if there was evidence that the oil companies needed the increases they have received over the years. Let me remind the minister that in 1971 the oil companies were receiving between $2.80 and $2.90 per barrel for western oil. They were doing very well. They were arguing that they needed price increases to expand and to explore for new oil, and so on, and they were indicating that they needed price increases of the nature of ten cents per barrel, per year, for ten years. In other words, by 1981 they would have been looking for $3.80 per barrel. Mr. Speaker, it is not 1981, it is only 1975, and they already will be receiving $8 per barrel. They are doing this because this government has refused to get involved in planning to meet our needs. We do not really know what our oil reserves are. We have to go on from year to year depending essentially on the information we obtain from the oil companies. This information has fluctuated wildly, as it suited the oil companies, for their own good and for the good of the multinational owners of these corporations, but not for the good of Canadian citizens.

A former Liberal cabinet minister, Mr. Kierans, has pointed out that the Canadian Petroleum Association published misleading statements of Canadian oil and gas reserves in 1970 in order to encourage the federal government to authorize exports to the United States. He warned that we are in a desperate situation, which we are. That desperate situation was highlighted yesterday by the Minister of Energy, Mines and Resources (Mr. Macdonald) in his announcement about new restrictions on the sale and distribution of natural gas. Mr. Kierans warned that we are in a desperate situation because of the massive amounts of oil which we in Canada sold to the United States at $3 per barrel until last year, and we must now develop it at a probable cost of $13.70 per barrel. In 1970 the Canadian Petroleum Association estimated that Canada had 125 billion barrels of oil and 725 trillion cubic feet of natural gas, when in fact we had only 7.7 billion barrels of oil and 52.5 trillion cubic feet of natural gas.

It was on the basis of that kind of information that the federal government and the National Energy Board allowed the export of up to 1.2 million barrels of oil per day and an additional 6 trillion cubic feet of natural gas to the United States in the early 1970s. Do we have any more real information now than we had in 1970 when the National Energy Board and the government permitted that disastrous sale at those ridiculous, disgracefully low prices to the United States—sales which had to be made if we were to honour contracts entered into? I am one of those who realizes that it is difficult, if not impossible, to back out of a contract made in good faith.

How did we make that decision? We made it on the recommendation of the National Energy Board. Did it have its own technical people, its own geologists, engineers and economists who were able to obtain the information and to assess it in a way which was beneficial for the people of Canada, or did it in fact depend almost exclusively on information obtained from the oil and gas companies, information which was slanted to be of benefit to those corporations and not to the people of Canada? I must ask the minister whether we are in any better position in 1975 to make the kind of decisions we ought to be making than we were in 1970. I doubt it.

When I listen to the minister—another apologist for the government—and the oil companies talk about the necessity for higher oil and gas prices, which will mean higher costs for the people of Canada, I listen in amazement and wonder on what they base their arguments. I am not an expert in business, but I can read the English language and I think I understand what I read. Since coming to Ottawa I have received the Toronto *Globe and Mail* every morning. I refer the Minister of Finance to an article which appeared in the *Globe and Mail* of May 16, 1975, under the heading "Western oils turn in best profit performance in quarter with 48.1 per cent increase". What does it say in the first paragraph of that article? It reads as follows:

> With a 48.1 per cent year-over-year increase, western oils turned in the best profit performance in a preliminary Report on Business survey of after-tax profits of Canadian corporations for the first quarter. They did the same thing in three of the past four quarters.

Has the minister never asked the oil companies, "Isn't enough enough"? If he has, I wish he would send me a copy of the text, because I do not remember him ever making that kind of speech. But I do remember the minister saying that workers who ask for wage increases, not of 48 per cent but of 15 and 18 per cent, to keep up with the increase in the cost of living are being unreasonable, unpatriotic and that they are going to wreck the economy.

● (1450)

We have had that kind of speech from the minister quite often, but we do not hear it when it comes to oil companies. They get a further increase in price. I went to the parliamentary library and got the *Financial Post* "Survey of Oils for 1975". I should like to put a few of the figures on the record. Hon. members know that I am one of those terrible socialists who does not have much use for the free enterprise system. Let us see what the *Financial Post* says about some of the oil companies. Take Imperial Oil's net income, that is, after taxes and everything else: 1971, $136 million; 1972, $151 million; 1973, $228 million; the *Globe and Mail* of January 24, 1975, shows their 1974 net income was $290 million.

Maybe Imperial Oil is an exception, so let us look at Gulf Canada, another poor oil company which needs that increase or it will go broke tomorrow. In 1971 they had a net income of $53 million; 1972, $64 million; 1973, $101 million. They have not released the figures for 1974, but we can be sure they are in the same "marginal" increase range as Imperial Oil.

Mr. Boulanger: How many employees do they have?

Mr. Orlikow: Of course, they have Canadian people working and Canadian customers buying their products. That is the point. Let us look at Shell Canada. In 1971 their net income was $61 million; in 1972, $78 million; 1973, $112 million. I do not have figures for 1974, but no doubt they will be in the same range as Imperial Oil.

When is enough enough, Madam Speaker? How much more do the Canadian people have to pay to keep the poor oil companies in business? The minister says that we have to give them higher oil prices, and unless we do they will not look for new oil; and if we do not find new oil, of course, we will be out of it. I think we have a right to compare the oil industry with the electric power industry.

Mr. Boulanger: Oh, oh!

Mr. Orlikow: The hon. member is always interjecting. I like to have his interjections, particularly when I am not on a 20 minute limit. But I would like to hear the hon. member make his own speech some time. I do not mind his interjections, but some members are disconcerted by his bleating.

In Manitoba they are bringing into production power from the Nelson River. That is a long way from where the power will be used. The plants and transmission lines will cost hundreds of millions of dollars and the power will probably cost three or four times as much as the power now being used in Manitoba. Ontario is building a nuclear power station whose power will cost four or five times more than the power at Niagara Falls. They do not tell the people of the province that it is going to cost four times as much for the nuclear power; therefore they want them to pay four times as much as for the cheap power they are getting now. They put the two costs together and come up with one price.

We have oil in Manitoba and Saskatchewan and the companies were making good money selling it at $3 a barrel and less. Now they want $8, $10 and $12 per barrel, not only for the new oil which they hope to find in the Arctic or off the east coast, which will be very expensive, but they want the same price for the oil they found years ago on which they are going to make tens of millions of dollars. The minister goes along with that and says we have to give them the increased price.

The Canadian citizen is going to have to pay through the nose for every gallon of gasoline he buys for his car, for every gallon of heating oil for his home, for every cubic foot of natural gas for his home, for every bit of gas used to fuel the industries.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Orlikow: I wonder if I could have a few more minutes, Madam Speaker.

Mr. Baker (Grenville-Carleton): Madam Speaker, if the hon. member would like a few moments, or a minute, if he could put it into that time-frame—

The Acting Speaker (Mrs. Morin): Order, please. This can only be done by unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There being no agreement, the hon. member cannot continue. The hon. member for Surrey-White Rock (Mr. Friesen).

An hon. Member: Who said no?

Mr. Benno Friesen (Surrey-White Rock): Madam Speaker, I welcome this opportunity to speak on Bill C-66 which is another exposé of the iniquities that this government heaps on the Canadian people. I cannot help but reflect on the speech made last night by the hon. ornithologist from Skeena who was long on emotional metaphors and dramatic nuances but very short on logic.

Mrs. Campagnolo: Oh, come on now. Be nice.

Mr. Friesen: The weaker the argument, the more strident her voice became. She provided a lot of laughs for government members, but I can assure this House that no one is laughing in the federal riding of Skeena, at Burns Lake, Ootsa Lake, François Lake. They are not laughing on the streets of Smithers or Kitimat and the union shops there, or in the shopping centres at Terrace or Prince Rupert, and certainly not at Port Clements or Charlotte City. She says her riding supports the ten-cent tax. I can see it now: when she gets off the plane for the summer recess, there will be senior citizens welcoming her with bated breath to thank her for this opportunity to give the Government of Canada another ten cents per gallon for gas.

The taxi drivers will be lining up to say they have been waiting for a long time for an opportunity to pay another tax to the federal government. The fishermen and independent loggers will say, "We know that each of us cannot go to Ottawa, but in our stead you shall go to the Minister of Finance and thank him personally for this

opportunity to give another ten cents a gallon to the federal government. Tell him the people of Skeena thank the government for this opportunity."

Let us look for a moment at the impeccable flow of logic from the hon. member for Skeena (Mrs. Campagnolo) in support of this new tax. The second half of her speech criticized regional disparities in Canada. She pointed out that the west is getting short shrift and is being shoddily dealt with in confederation. She is right. For example, if you buy an airline ticket from Toronto to Ottawa, the cost is approximately $70. If you buy a ticket to fly from Vancouver to Prince George, approximately the same distance, you pay 30 per cent more, or $100. There is good example of regional disparity, and it cannot be justified.

● (1500)

I think all members on this side agree on the existence of regional disparity, especially between the north and south of Canada, and we say it cannot be justified. I well remember the royal commission the hon. member spoke about, the one of 1964 headed by Cyril Shelford, or inspired by Cyril Shelford when he was working for the British Columbia government. I think he got the double shuffle. I have travelled extensively in northern British Columbia and I know that the people of the region are paying too much for gasoline. I understand perfectly what the hon. member is saying, but I point out that the official opposition did not do that of which she complains. The opposition did not create that disparity. Yet the first half of the hon. member's speech was devoted almost entirely to berating the opposition. She calls our approach ostrich-like and accuses us of putting our heads in the sand. Incidentally, if she will check I think she will find that her ornithology is not quite correct.

An hon. Member: Her speech was for the birds.

Mr. Friesen: The opposition has criticized the government for that very reason. We object to this country's disparities. The question remains, why did the hon. member devote the first half of her speech to berating the opposition, when she agrees with the opposition? If she looks closely, she will find that the ostrich is coming close to her, and has come back to roost.

Mrs. Campagnolo: Madam Speaker, I am delighted to note that the hon. member for Surrey-White Rock (Mr. Friesen) is so adept at naming places in my constituency. I wonder if he is as adept at naming places in his own. In any event, the voters of the constituency of Surrey-White Rock are asking where he stands on the issues on which he is speaking. I suggest that he should devote some time to his own people, rather than to mine, who are being looked after very well.

Mr. Friesen: Madam Speaker, I remind the hon. member for Skeena that the Minister of Industry, Trade and Commerce (Mr. Gillespie) said in this House that the people of Surrey-White Rock are being well served by their member.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): That is not exactly what he meant.

An hon. Member: But that's what he said.

Mr. Friesen: It strikes me that there is an appropriate line in Hamlet, which could be applied to the hon. lady: "The lady doth protest too much, methinks." Near the beginning of Hamlet a character says that there is something rotten in the state of Denmark—I submit that it is not only in Denmark.

Let us consider this tax. The minister suggests that the budget is non-inflationary, that he is introducing a non-inflationary tax—if there is such a thing—and non-inflationary policies. Let us examine the workings of these policies. A man came to see me and we had a long discussion about the very problem we are considering today. That man is a small businessman in my community. He runs a small bus line, and is responsible for a total payroll of $150,000. His profit margin is not wide.

I understand that rebates from the tax department are now running between six months and one year behind time. The bus company expects this tax to add $1,000 a year to costs. Because the operator is operating on a small margin of profit he will probably need to borrow that $1,000 at 14 per cent, which means that the company must pay extra expenses of $1,400. This man has to make up this cost somewhere. He cannot pull the money out of a hat, as the government seems to be able to do; therefore he must consider increased rates. He has a contract with the local school board. The school board must get its money from school taxes, and school taxes in British Columbia, as the hon. member for Skeena knows, are away beyond the reach of the individual taxpayer. The operator also runs charters for senior citizens and others.

If the bus company wants to increase its rates, it must justify the increase before the Transport Commission. The Transport Commission will not sit for three months. What is the company to do in the meantime? How is it to survive? If tax upon tax is imposed on such small companies, the only alternative they face, sooner or later, is to sell out.

An hon. Member: Or give the company to the government.

Mr. Friesen: The owner can either sell to the government, or to a large corporation—to the sort of large, multinational corporation the hon. member berated so strongly.

Let me digress. Today the Minister of Industry, Trade and Commerce introduced phase II of his program which is designed to limit foreign investment. We know, I think, that most of our foreign investment comes from the United States. United States companies take over small Canadian companies which can no longer bear the kind of tax burden the government is forcing on them. Large, multinational corporations can bear the burden. They can pass on the extra cost to the consumer, but the small companies cannot hold out. And the hon. member help up Petro-Can as the panacea for all the ills brought on by the greed of large, multinational corporations. I ask this: if a bureaucrat switches from a multinational corporation to a government, does he thereby become a pillar of morality, a bastion of morality?

My socialist friends keep talking about equality, but there is one equality they always tend to overlook, the equality of human nature and man's tendency to evil. No matter whether you work for a government or a private

corporation, temptation is there. The temptations and the greed still exists. The possibility of mismanagement is just as great, whether you work for a private corporation or for the government. Incidentally, the role of government is to exercise some control, either by passing laws or by appealing to conscience.

This new tax will entail simply another cost which large corporations can easily pass on to consumers but which small companies will not be able to cope with and, consequently, sooner or later they will sell out to large corporations.

If the tax were imposed only to conserve energy I could argue in support of it, on condition that the motorist is provided with an alternative.

One year ago I heard the Prime Minister (Mr. Trudeau) promising a $1 billion urban transport policy. The Prime Minister promised that, when travelling across the country. We were wafted to the Elysian fields by the Prime Minister's dulcet tones promising answers to our transportation headaches.

An hon. Member: Do you like poetry?

Mr. Friesen: I love poetry. Does the hon. member prefer John Donne, Shakespeare, Spencer, Chaucer or Matthew Arnold? Take your pick.

Mr. Turner (Ottawa-Carleton): We will take the hon. member, the bard of White Rock. He is just great.

Mr. Friesen: Yes, the Prime Minister made a memorable trip across the country one year ago. Incidentally, about the only time he crosses this country is during election campaigns. The rest of the time he likes to go to places like Bermuda, Switzerland, and so on. Since that trip we have heard no word about alternatives for the motorist. He must now pay this tax, this unfair tax, and he has no alternative. The commuter who moved from the heart of the city to get away from the problems of urbanization, or because he wanted cheaper housing, is now forced to pay an extra $1, $1.50 or $2 per week in tax, just because he tried to save a buck. There is no way we can justify this.

Let me make one more point—I am sure this will come as a relief to government members. The Minister of Finance (Mr. Turner) promised a reduction in the rate of bureaucratic growth. That is the absolute conundrum in the face of—

● (1510)

Mr. Turner (Ottawa-Carleton): That's a nice word.

Mr. Friesen: Nice, isn't it?

Mr. Turner (Ottawa-Carleton): Yes, it is very nice.

Mr. Friesen: I will use it again. That is an absolute conundrum in the face of the refund policy the Minister of Finance wants to impose on the country. He says he wants to reduce the growth of the bureaucracy from 9,300 to 6,000. Much against my nature, I would simply caution that the minister will need that army of bureaucrats to shuffle the papers and get out the rebates within a year. They will be needed for income tax.

[Mr. Friesen.]

Mr. Paproski: Use Information Canada; they are not doing a damn thing.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Friesen: I remind the government members that since they plan to go home next weekend, they ought to spend the intervening time looking for answers that will help them face the voters to whom they promised so much a year ago.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Order, please. Is the hon. member rising on a point of order?

Mrs. Campagnolo: No, Madam Speaker. I rise on a question of privilege. I would like to thank the hon. member for Surrey-White Rock (Mr. Friesen) for his personal attack. It is only by his words that I know I have been finally accepted on equal terms with the 255 male members here.

Some hon. Members: Shame.

The Acting Speaker (Mrs. Morin): Is the hon. member rising to ask a question?

Mrs. Campagnolo: Yes, Madam Speaker.

The Acting Speaker (Mrs. Morin): Will the hon. member accept a question?

Mr. Friesen: Yes.

Mrs. Campagnolo: The Parliamentary Guide lists the hon. member as having been born in 1959, which would make him 16 years old. I would like to know whether he was born in that year.

Mr. Friesen: If the hon. member would read a little further, she would find that I was born ten years before my daughter.

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Friesen: It is obvious from the hon. member for Skeena (Mrs. Campagnolo) that the rest of her family has the last word, which is, "Yes, dear".

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Order, please.

Mr. J. R. Holmes (Lambton-Kent): Madam Speaker, it is going to be somewhat difficult to follow the oratorical skill of my colleague and friend, the hon. member for Surrey-White Rock (Mr. Friesen).

Mr. Turner (Ottawa-Carleton): That will be no trouble at all.

Mr. Holmes: I welcome the opportunity to make a few comments on Bill C-66. The regressive measures embodied in this bill, for example the excise tax on gasoline, the air transportation tax, and the other inadequacies of the

easure such as the removal of the sales tax on insulation :flect the failure of the budget which the minister :ought down last June.

The over all impact of the budget on the Canadian :onomy has been adequately described by previous)eakers. The inflationary effect of the budget, including ıe excise tax on gasoline, the degree of unemployment ıat will result from the budgetary items, and the negative :fect it will have on the growth of the gross national roduct, are all part of the record. However, the notable :ature about the budget has not been the technical anal-sis of the effect it will have on inflation, unemployment, r the gross national product, but the instantaneous nega-ve reaction of the working man and woman, those on low nd fixed incomes.

I do not recall when my correspondence and telephone alls have been heavier or busier with constituents regis-ering legitimate complaints about the discriminatory spects of the budget and the dire consequences it will ave on their future.

I am certain the minister must be receiving similar omplaints from his constituents, and indeed from across anada. I have no intention of reading the correspondence ıto *Hansard*, but it may be useful to the minister in his eassessment of the budget if I mention the nature of the omplaints received.

Not unexpectedly the major objection is related to the pecial excise tax of ten cents per gallon on gasoline for ersonal use, with an exemption for industrial and com-ıercial users through rebates. I will have more to say bout that later.

The second matter that has been brought to my atten-ion is the increase in unemployment insurance premiums ffective early in 1976, plus other proposed measures, in articular those related to employees retiring, which pro-osals are meeting with opposition.

Although the removal of the sales tax on insulation naterial has received minimal notice, the reaction to the nadequacies of budgetary matters related to housing are ıotable.

The increase in the wellhead price of oil and the ncreased price of natural gas, with their obvious impact n the average consumer struggling against the relentless ncrease in inflation, are of concern to my constituents ınd, what is more important, they are faced with the ealization and fear that the government cannot or will ıot introduce measures to reverse this feeling of ıelplessness.

I want to turn to a very important matter in the budget, nergy. The adverse effects that the energy proposals, ncluding the excise tax of 10 cents, will have on inflation ınd unemployment, have been stressed by previous speak-rs. It has been estimated that the measures introduced by he minister will add two points to the consumer price ndex and, in Ontario alone, will cost the citizens an ıdditional $700 million annually.

The Minister of Finance (Mr. Turner) in presenting his udget indicated that the price of crude oil must rise to world price levels. He also emphasized the policy of a single national price for crude oil. I can accept the argu-nents in principle. He made reference to the importance of a conservation program. I agree with and accept in principle the policy of a single national price for crude oil. I will mention later than I think the minister has taken a most discriminatory route to accomplish this. I have no difficulty in recognizing that there should be differences in terms of variations in price with respect to transportation costs.

I would support a program that encourages exploration and development to ensure continuing supplies to all Canadians. I would welcome and encourage a more aggressive program in research and development. I would respond in a positive fashion if the government truly demonstrated leadership in the development of a conservation program. I can understand the arguments to maintain a world price for export.

● (1520)

However, having made these observations, one might reasonably have expected that the budget would have contained measures designed to assure Canadians of energy supplies, measures to ensure further exploration or to promote something tangible by way of research and development; or we might have looked for a bolder and more imaginative conservation policy. But it is impossible to find any such proposals in the budgetary measures.

Further, what the minister has failed to explain, and what such a policy of world price fails to recognize, is that foreign oil-producing countries have established artificially higher prices, producing massive cash surpluses. Many thoughtful Canadians reject the necessity of Canadian consumers being exploited in the purchase of their own resources so as to maintain an artificial world price. The minister has a responsibility to explain in more detail the simplistic approach of adopting an artificial world price figure, particularly at a time of rapid increase in inflation and growing unemployment.

Earlier in the debate the Minister of Finance was very critical of the province of Ontario, in particular of its attitude toward energy matters. In my view the Ontario minister of finance acted responsibly by coming to the defence of the working man and woman, and of those living on fixed incomes.

Some hon. Members: Hear, hear!

Mr. Holmes: I wish to commend the comments made by the hon. member for Waterloo-Cambridge (Mr. Saltsman) of the New Democratic Party in his defence of Ontario and its responsible attitude toward energy matters over the years. It should not be forgotten that Ontario has supported a national oil policy for 11 years simply to stimulate the development of the oil and gas industry in Canada. I find it deplorable that the government should ignore this when it finds it convenient to do so.

As I indicated earlier, a major part of my correspondence and of the phone calls I am receiving concerns the excise tax of ten cents a gallon on gasoline for personal use. There is no question that this is a most discriminatory tax measure. Indeed, it is the most discriminatory and oppressive tax I have seen since coming to Ottawa in 1972. The minister tells us that such action is required to close the gap between the payments needed to hold down the

cost of imported oil for eastern consumers and the revenues from the charge on oil exports to the United States.

I have no difficulty in accepting the principle of a one-price policy for Canada, but surely it is obvious to the minister that under his proposals the burden of carrying out this policy will be shouldered by those who can least afford it. As I indicated previously, I have received substantial representation strongly protesting this regressive measure. As one might expect, protestations came from men and women living in small towns and villages who drive, in many instances, more than 50 miles to and from work. They are excellent citizens, they work regularly, and they wish nothing more than to be able to raise their families in a small town or rural setting. What is the minister's answer to this? What is the penalty he exacts? It is a gasoline tax of ten cents a gallon. Surely the minister is aware of the difficulty many small towns are experiencing in maintaining their viability. This is simply another measure which will tend to add to the exodus of some inhabitants from the rural areas.

It has been suggested that car pools could be used to counteract any hardship. But this method of transportation was in use long before the introduction of the ten cents tax. Many people are already using it to counteract the spiralling increase in the cost of living. It must be obvious, too, that pleas for a rapid transit system would have little relevance to people living in an area such as my own.

I cannot accept a one-price crude oil policy the cost of which must be borne by the working man or woman and other individuals who live on fixed or low incomes. Of all the options available to the minister as a means of maintaining a one-price policy, he has chosen the most discriminatory and regressive.

The minister also gave us to understand that this tax measure was intended to encourage immediate conservation of gasoline. Surely the minister cannot be serious in believing that the introduction of an excise tax amounting to ten cents a gallon will conserve energy. He should realize that previous increases in gasoline prices have not reduced consumption. Indeed, statistics confirm that there was an increase in consumption at the same time as prices were rising.

The simple fact is that the automobile remains and will continue to be the most essential and important mode of transportation in the foreseeable future despite glowing reports about the possibilities of rapid transit systems and other modes of travel. I have no doubt Canadians will respond to a reasonable and responsible program designed to conserve energy but I can assure you, Mr. Speaker, that they will not accept this as a true conservation measure; they will recognize the proposal for what it is—a guise for collecting tax dollars for the federal coffers.

I wish to make a few brief remarks with respect to the imposition of the tax at producer and importer levels. The minister, in introducing his discussion paper on commodity taxation, was obviously aware of existing pricing systems and the inequities introduced by imposing taxes at the manufacturers' level. It must be apparent to the minister that his decision to place the excise tax on producers and importers means that the ten cents a gallon increase is likely to be 11 cents or 12 cents in future months.

[Mr. Holmes.]

During the course of this debate several members have drawn attention to the administrative nightmare which would be involved in supervising and policing the refund program. The minister, with some justification, has declined to comment on the size of the bureaucracy that will be needed, or on the cost which will be incurred in the handling of such a program. I use the words "with some justification" because I have contacted the Department of National Revenue seeking answers to questions asked by constituents regarding eligibility for exemption. And the department does not know the answers.

I find it ironical that earlier this week the government House leader should have been pleading with the opposition parties to deal quickly with this bill, implying that any hold-up in its passage would result in a delay in the payment of refunds, responsibility for which would then fall on opposition members. I wish to congratulate my hon. friend from Peace River for pointing out that under the Financial Administration Act, section 17 as I recall, it is possible for the government to proceed with these rebates.

If the government House leader is truly interested in relieving the taxpayer and reducing the numbers of an unproductive bureaucracy he would encourage the Minister of Finance to withdraw this iniquitous bill rather than call for its speedy passage. As I say, I can appreciate the minister's reluctance to discuss the administrative cost of this program, particularly following the announcement that the growth of the public service was to be reduced. He knows perfectly well that the administration of this program will be a severe blow to any program of restraint. Indeed, I read an article during the past week or two that appeared in the Toronto *Globe and Mail*, indicating that the administration of the program will require at a minimum 1,000 people, and a multimillion dollar price tag.

● (1530)

The hon. member for Surrey-White Rock referred in his speech to the difficulty with the rebate. I have had a similar experience this past week and I think it is analogous to what we will be experiencing with this measure in the future. I refer specifically to the beef industry assistance program. May I remind hon. members that this program covered the period from March 16, 1974, to April 30, 1975, and it was a support program with a price of $23.21 a hundredweight for grades D-1, D-2, D-3 and D-4 cows.

This past weekend I had a call from a constituent who sold cows in November of last year, and again in January of this year, but has received no word about the subsidy payment. On returning I checked with the department this week, and not one payment has been made since the introduction of this program. More than that, the staff had increased by 400 per cent during this period. It is not difficult to realize the magnitude of the proposed program that the Minister of Finance has talked about and the difficulties that we can experience, when a program of the magnitude of the beef industry assistance program has obviously been an absolute failure.

Another measure that I referred to earlier was the removal of the sales tax on insulation. Although a modest step in the right direction, once again it is a symptom of the inadequacy of the June budget. If there was one area that justified the intervention of the federal government

in a meaningful way for both economic and social reasons, it was certainly in the area of housing.

In response to this critical problem the minister has simply injected funds which do not meet half of Ontario's needs to correct the housing crisis that exists in Canada. Yet these funds are expected to resolve the entire problem. In addition, in this particular bill we have the introduction of the removal of the sales tax on insulation. Surely, as indicated in the past, it would be more prudent for the government to have eliminated the remaining 5 per cent sales tax on all building materials.

When the minister reduced the 11 per cent sales tax it was indicated during argument at that time that the entire tax should be removed because the cost involved in administering the program would not be commensurate with the net gain. We also pointed out that the removal of the entire tax would have a very positive effect upon the housing situation in Canada.

What is happening at the moment, Madam Speaker? With the introduction of this new tax measure, obviously the revenue accruing to the government will be somewhat less. Yet we know that the same administrative cost will be present. However, we must recognize that there will be additional administrative costs to the housing supply industry to handle this tax exemption, and it will therefore negate to a great extent some of the effect of the 5 per cent sales tax reduction. As I said a moment ago, it would surely have made far more sense to eliminate the 5 per cent sales tax on all building materials.

I expressed earlier the disappointment that has been experienced, certainly in my area, and the concern that has been expressed over the budgetary aspects in relation to housing. Despite the removal of the tax on insulation and other budgetary matters, there will be little effect on the supply side of mortgage funding, and almost negligible effect on the stimulation of housing starts.

The inadequacy of the proposals is quite obvious and has been outlined by many members, both during the budget debate and in this debate. As I indicated earlier, the $200 million allocation does not even constitute 50 per cent of Ontario's repeated requests and demands for additional funding commitments. For the first five months of 1975 housing starts were projected to be 176,000. The additional $200 million increase will provide for approximately 7,500 new starts. I would point out to the minister, as I am sure he is aware, that this combined figure falls short by 13.6 per cent of the government's goal of 210,000 starts, and 25.9 per cent short of the Economic Council's suggestion.

Both the Minister of State for Urban Affairs (Mr. Danson) and the Minister of Finance have cited soaring land costs and the unavailability of serviced land as two of the major causes accounting for the poor housing situation. Yet as I interpret the budget, no provision is made for municipal funding which will be necessary in order to release serviced land on to the market or to abate the escalating cost of land.

Another feature in the budget that concerns me is the $1,200 mortgage subsidy to builders for home construction, and the $900 subsidy for rental accommodation. As I understand this subsidy program, it terminates on March 31, 1976. In effect, the government is attempting to lure potential home owners into the housing market with attractive mortgage subsidies, but again, as I understand it, there is no provision for continuing financial support.

I think a very valid question must be asked here. What happens come March 31 when the home owner is suddenly faced with a $50 a month increase in his mortgage payment? I ask, will the Minister of Finance be there to assist him with this particular measure?

I am glad to see that the Minister of State for Urban Affairs is in the Chamber because he and the government have attempted to justify the reduced activity in the housing market on the basis of the success of the AHOP program. However, because of the income and dwelling cost restrictions of this program, a large number of people qualifying for AHOP are unable to purchase a single family dwelling. There is also growing evidence that private AHOP is not being well received and is not expected to result in a significant net addition to the funding supply as it will be largely funded from money already earmarked for housing.

In summary, Madam Speaker, I have tried to point out those matters of particular concern to the constituency I represent. In particular I have emphasized that the excise tax on gasoline is a most discriminatory and regressive tax measure. I have also tried to point out the inadequacies of the budget in the field of housing, and a symptom of this inadequacy of the budget is the reduction of the sales tax on insulation. As I have indicated, I very strongly suggest that the Minister of Finance reconsider this particular bill and remove this iniquitous taxation that is before us at the present time.

Mr. Joe Clark (Rocky Mountain): Madam Speaker, I want to take brief part in this debate because I think that what is being perpetrated upon the House of Commons, and more particularly upon the people of Canada, is not simply a measure that is very nearly fraudulent when it is said it is the only way revenues can be raised, but is also a measure that is very unfair. It is as inequitable in its application as any measure that could be devised by a government to hit the little guy. This tax hits the little guy who is not in a position to pass on his costs, and provides havens for people who might be able to hide their cost under this clause and claim benefits for professional or other reasons.

● (1540)

It is a grotesquely unfair bill. I am not surprised that only a scattered few backbench members on the government side have had the courage to defend this bill because they know their constituents read the record, and when their constituents read that they have defended the ten cents Turner tax which applies unfairly to the poor and those who cannot shift it off, they know that their chances of being re-elected to this House diminish. If they dispute this statement, let them get up and defend this iniquituous tax which applies unfairly to those least able to bear it.

Today I wish to speak about two aspects of this measure. The first is the conservation aspect, so-called. The second is the unfairness of the impact. I want to speak in constituency terms because all of us come from constituencies. Many of us would prefer to be back at our constituencies,

and if the government would come to its senses and devise a fair way to meet its revenue problems we would be able to get back more quickly.

I do not want to start speaking immediately about the impact of this tax on my constituency. I am sorry the Minister of Finance (Mr. Turner) left the House a few moments ago. I passed him on the stairway and invited him back to hear my remarks, but he declined the opportunity. I want to draw attention to the very real problems this ten cents Turner tax causes the constituents of Ottawa-Carleton, to take one example, because the constituency which is represented by the Minister of Finance is one which, among other things, contains commuters who must drive from where they live to their work, whether it be from Cumberland, Vars, Russell, Navan, Sarsfield or Orleans, whether their work be in this city or elsewhere. As I understand it they will not be able to claim this as an expense. The burden of the extra ten cents will fall straight on the shoulders of the people who must commute to work from the communities in the constituency of the minister.

What is particularly inequitable about this is that if these individuals want to come to Ottawa to see their Member of Parliament they would have to pay ten cents a gallon extra for that privilege of seeing him, but if the minister deigns to go to see his constituents—and perhaps he does not do that very often now that he has brought in this unfair tax which lies particularly heavily upon the commuters and people in the villages I have enumerated—he will probably travel in a Government of Canada limousine and will not have to bear the burden of the tax. This is not a tax for the minister but is a tax for his constituents. That is a most unfair situation.

Before leaving the subject of the constituency of Ottawa-Carleton I might say that if the Prime Minister (Mr. Trudeau) were to visit Navan, to take one place as an example, not only would there be a cost involved to the people who might drive to Navan to see this magnetic personality but also to the Government of Canada, particularly the Department of National Defence, which probably would have to pay for the helicopter that is the preferred way of travel of this conservation minded Prime Minister.

Let me deal for a moment with some of the very severe problems this unfair tax imposes upon the people in the constituency I represent. There are constituents of mine who commute distances of 150 miles per day in order to get to and from their work. They will not be in a position to claim any rebate or to shift the burden of this ten cents tax. The example I have given is perhaps an extreme one. It represents the distance from Whitecourt to Swan Hills and back. However, there are constituents of mine, and there are constituents of many other members, whether they be in urban or rural areas, who will have to pay through the nose in order to meet this unfair tax that lies particularly upon the little guy, the one who cannot cast off the tax under some kind of write-off.

Indeed in my constituency some of the individuals who are commuting are forced to commute because of a federal policy. The Department of Indian Affairs and Northern Development, which is responsible for our national parks, has laid down a directive that Banff and Jasper may not grow too large, and therefore many people must live elsewhere such as in Hinton or Canmore, and drive from there to work and then back home again at night. That situation was difficult enough at the best of times, but is now much more difficult because of this unfair ten cents tax which will be imposed upon these people very soon. It is a grotesquely unfair tax.

I received a letter the other day from a lady in Montreal who is very much concerned about conservation matters. She devotes a great deal of her time to voluntary work in an attempt to stop the government following some of the policies that offend the environment of Canada. In doing this work she is not in a position to claim any relief in the sense that it is charitable work. She does this work voluntarily, as a concerned Canadian. She made a calculation that, since she is a woman who has very little income and does not have any prospect of ever holding down a big job unless the Prime Minister should appoint her to a royal commission, or something like that, she will have to cut her voluntary work in half because she cannot afford to carry on under the extra burden of this tax.

One might say that is an isolated case, but all of us know that most of the valuable work done in the name of public service in this country is done by individual volunteers who do not work for a large organization, and are not in a situation in which they can claim a tax advantage. These people work out of the goodness of their hearts and now, because of this tax, they will be faced with an additional burden. This tax amounts to a tax on volunteerism in Canadian society. It will undercut the capacity of individual Canadians who want to help improve their local community or neighbourhood, or help bring forward important points in respect of public issues. These people are seriously undercut in respect of the capability to do this. This is a very serious aspect of this bill.

I notice that when the minister spoke the other night he said that the tax did not apply to hospital or similar boards. What does the minister intend to do in respect of the members of local hospital boards and other such boards in rural districts in my constituency, and in the constituencies of many vocal members on this side of the House, and in the constituencies of many of the silent members on the other side of the House? They have to travel literally hundreds of miles a week to carry out their civic responsibilities. Unless there is some way—and it would require some gymnastics in bookkeeping and accounting which would probably be beyond even the manipulators of this government—for the government to recompense those individuals, inevitably there will be demands for increases in expense allowances by members of these local boards.

● (1550)

Again you can say that this is a trivial thing, but it is not so trivial when it happens in country after county and municipality after municipality across this country, and when the cost is taken from the already too scarce funds of hospital boards, municipal authorities, and groups of this kind. That is another harmful blow that this ten cents Turner tax will strike at the people of my constituency and I am sure at the people in the constituencies of other members of the House, including the silent, aquiescent members on the government side.

Mr. Béchard: We are not silent.

Mr. Clark (Rocky Mountain): I am pleased to see that my colleague, the hon. member for Bonaventure-Iles-de-la-Madeleine (Mr. Béchard) is entering the debate. I hope he will rise later today, or when the debate carries on next week or next month, and have the courage to defend this bill, because so far there have been very few backbenchers, and no ministers apart from the guy carrying the can, the poor Minister of Finance, to defend this bill.

Mr. Boulanger: Tell us the good side of the story.

Mr. Clark: (Rocky Mountain) My friend knows that I would tell him the good side of the story if there were one, but I cannot because there is not.

There have been a number of individuals who have already spoken in the House about the bureaucratic problems which will be encountered in trying to work out any system of rebates for those who might deserve them.

Not being a member of the government I have no cause to be afraid of my constituents, so the other day I went from door to door in my constituency and asked people what was troubling them and what I could do to help. I found that 50 per cent of the people I encountered in one town stopped me and asked how they could get around this ten cents tax, and in what way they could become eligible for some rebate. I warn the government that however clever and ingenuous it thinks it might be in working out systems of rebate, it has awakened a remarkable wave of ingenuity in the country, and that people will try to find out some way of escaping the burden of this unfair tax and put themselves in the position of the Minister of Finance, who is not going to pay it, and of doctors and other professionals who will find some way of evading it.

What is bad about that is not that people's ingenuity has been inspired, because this country owes much more to the ingenuity of its private citizens than it does to the policies of the government, but that people are being required to turn their ingenuity not to a respect for the law but to a way of getting around it. That is another very dangerous social consequence that falls from a bill as bad as this bill.

There is not much time left this afternoon, and I want to deal for a moment with the argument which has not been put forward very strongly, even by ministers of the Crown who are accustomed to putting forward weak arguments with great force, and that is the argument that this is in some way or other a conservation measure.

That argument debases the cause of conservation.

The Government of Canada, and all of us in the House know that the days of cheap energy are gone, the days when we can waste our resources. But if the government were serious about devising a policy of conservation, it would have started with something else than a ten cents tax that applies unfairly to the weakest elements of society. If it were serious about turning people away from the excessive use of automobiles, it would have given high priority to the development of alternative methods of transportation, but it has not done that. If it were serious, it would have devised other means to relieve high consumption. If it were serious, it would have established a general policy of conservation. The conservation policy of the government is one part a comic book which tells Canadians not to bathe, and one part a bunch of public relations ads which carry the smiling image of the Minister of Energy, Mines and Resources (Mr. Macdonald).

Mr. Muir: That frightens me.

Mr. Clark: As my colleague says, this simply serves to frighten people. It probably frightens them so much that they get out from the library where they were reading that ad and go and take a drive around, thus wasting more gas.

That is the extent of the conservation policy of the government. For the minister to argue that he is advancing the ethic of conservation by bringing in a ten cents tax which applies unfairly across the country to people who cannot afford to pay it, and who cannot find any way to evade it, a tax which, in addition, has the unfortunate consequence of causing problems in rural areas and local municipalities for people who have to commute, is simply a fraudulent approach.

Mr. Cullen: Madam Speaker, I regret to interrupt the hon. member but I would like to say, on a point of order, that the House leader of the opposition raised a point today. He indicated that rebates can be paid under the Financial Administration Act. We disagree with that. This is a question I would like to discuss with the House leader. I know he did not wish to mislead hon. members. If he does a little more research he will find that there is no provision whereby a rebate under this bill could be paid under section 17. I will raise this point with him on Monday, but I know he would not want to mislead the House or the country.

Mr. Clark: I am not exactly sure how that point of order was smuggled in between my remarks, but it is significant that before that weak argument was attempted on behalf of the government, the Minister of Finance fled the House and left it to his parliamentary secretary to make it.

Before closing I want to draw to the attention of the House one more very serious consequence of this ten cents tax. One of the measures in which many of us across the country are interested, including many provincial governments, is the decentralization of industry and other activities to communities outside major centres. If we are going to impose this tax on people who have no other way to get from where they live to where they work, on people who commute, it will seriously frustrate the policy of decentralization to which many of the governments, including some governments of the stripe of the government here, if they still admit to kinship, are committed.

* * *

BUSINESS OF THE HOUSE

Mr. McKinley: Madam Speaker, before we go into private members' hour, I wonder if it could be confirmed whether we will be on the same business again on Monday?

Mr. Lefebvre: So far as I know, Madam Speaker, we may be on Bill C-70. But I understand that there will be further talks between House leaders concerning this.

[*Translation*]

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, notices of motions and private bills.

[*English*]

The House will now consider public bills, order No. 8. The hon. member for Windsor-Walkerville (Mr. MacGuigan). Shall the order stand?

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Madam Speaker. I would like to ask how much longer this item will stand. It has been at the top of the list for almost three months. I am referring to the bill having to do with Heritage Day. Why can we not proceed with it?

Mr. Lefebvre: I cannot answer that , but I think the hon. member will find there is agreement that today we should discuss Bill C-239 standing in the name of the hon. member for Central Nova (Mr. MacKay), an act to amend the Supreme Court Act (private citizen's reference).

● (1600)

Mr. Knowles (Winnipeg North Centre): I will agree to that after we have dealt with Heritage Day.

The Acting Speaker (Mrs. Morin): Shall all the bills on the order paper prior to that bill stand?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Bills stood.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

SUPREME COURT ACT

SUGGESTED AMENDMENT TO CONFER CONSTITUTIONAL REFERENCE RIGHTS ON CITIZENS

Mr. Elmer M. MacKay (Central Nova) moved that Bill C-239, to amend the Supreme Court Act (private citizen's reference), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Madam Speaker, this bill is intended to emphasize that each and every citizen has a unique and personal interest in the constitution of our great nation and an individual interest in the way in which he or she is governed since, by long tradition, each Canadian has the right to expect consideration of individual rights and freedoms. Therefore each citizen ought to have a means to act directly to protect his or her interest without necessarily waiting for a government, federal or provincial, to do it.

It seems that at this particular time our government is not sufficiently conscientious in referring matters, in which constitutionality could be an issue, to our Supreme Court regardless of the implications of its failure to do so. As one example, I cite the situation arising out of a current piece of legislation, Bill C-2, known by those who are most familiar with it as the competition act.

As far back as 1973 the government was well aware that there were possible constitutional difficulties and in one of its publications, "Proposals for a New Competition Policy for Canada," the following appears:

> While the constitutionality of new section 31.1 may be challenged as relating to property and civil rights or matters of a local or private nature which, under section 92 of the B.N.A. Act, are within provincial, rather than federal, jurisdiction, it is nevertheless hoped that the section will be upheld as a matter ancillary to the criminal law—

In debates of the other place, as reported in *Hansard* for Wednesday, March 19, 1975, Senator Hayden, when speaking about certain aspects of Bill C-2, said that the Senate Committe on Banking, Trade and Commerce was concerned about the doubtful constitutionality relating, and I quote:

> —to the proceedings under Part IV.1. This was also mentioned in submissions, inlcuding that of the Canadian Bar Association—

I do not intend to smuggle a speech on Bill C-2, into this private member's hour, in case that was the suspicion but I am merely using it as an example of a case where a constitutional matter has some bearing, in my opinion, on this bill, which is in my name.

Still later in April of this year, during proceedings of the Senate Committee on Banking, Trade and Commerce, an official of the Department of Consumer and Corporate Affairs, Mr. Bertrand, spoke about certain aspects of the constitutionality of Bill C-2. At the same time a legal consultant to the committee, Mr. R. J. Cowling, acknowledged that representations were made to the committee suggesting that the constitutional question, and I quote:

> —should be settled before the bill is enacted so that a private litigant would not be left with the burden of testing the provisions all the way to the Supreme Court, which could be quite costly and perhaps even ruinous for that individual.

Finally, the chairman of the committee, the Hon. Salter A. Hayden, made a very significant observation when he said the following:

> We simply point out the areas in which there is doubtful constitutional validity—so doubtful that we think they should not come into law until that doubt has been resolved.

It seems that our Supreme Court ought to be used more and ought to be more easily accessible and at less cost to the ordinary citizens of this country, and I have some support for my contention from lawyers across the country. If I may, I would like to read briefly an excerpt from a letter I received from a prominent Ontario lawyer, who wrote the following:

> Dear Mr. MacKay:
>
> I would like to lend my support to your proposal that the Supreme Court Act be amended to allow private citizens to refer questions to the Court relating to any public law made by or under the authority of the Parliament of Canada.
>
> Judges in this country, and no doubt in others too, have many times declared themselves opposed to any development in the law that they consider would have the effect of increasing the workload on the Court. A recent instance of course is the refusal to hear Mr. Thorson's application for a ruling on a constitutionality of the legislation on bilingualism.
>
> I think it is time the Courts were informed that their services are required in this area.

I do not necessarily share the opinion of the solicitor who wrote to me in respect to the special example he used, but I do think it is significant that a practising lawyer would voluntarily support the concept embodied in this bill.

I anticipate that some of my colleagues this afternoon will say that this legislation will increase the workload of the Supreme Court and that there will be cases where matters would be referred to the court which, in the name of common sense, ought not to be. In response to such observations it may be said that in a democratic country such as ours there are bound to be cases where people will act to protect themselves without considering all the implications of what they are doing, but I suggest most strongly that this is not a weakness. It is a strength that a democracy is, by its nature, less rigid and more indulgent in granting its citizens a means to express publicly their dissent in the advancement of their rights, and this is what I am seeking to promote by this legislation.

The court can, by the application of its own rules, or, if necessary, by changing the rules with approval of government, sort out and dispense with those cases which are frivolous or vexatious in their objects, and still permit access to the Supreme Court of our country to those who have an important issue for adjudication.

I do not wish to speak at great length on this bill, preferring rather to put it before my colleagues for informed comment and consideration. In my opinion this bill does not impinge on any provincial rights, and it might act as a catalyst to cause some provincial administrations to consider some of their own rules of civil procedure.

This bill does provide for notice of hearings to be given to the proper federal and provincial officials in appropriate instances, and provides as well that the court has the power to give notice to interested persons and classes who might be affected. There is also provision for the situation where there may be unascertained classes—the unborn, for example—and the court may, in its discretion, request any counsel to represent such parties.

As the public service becomes larger, and as the doctrine which some call collectivism grows more popular, at the expense of the traditional respect for the individual and his rights, it becomes more important to have the services of our Supreme Court available in appropriate cases so that our court can come easily to the aid of Canadians who are the victims of expediency, or of big, impatient governments.

There is much to be said for the proposition that, as the power of the state grows at the expense of the private sector, the principal menace of the common man is not the large, greedy corporation or the dictatorial or corrupt union executives or leaders, but his own over officious, bureaucratically oriented government.

Therefore I hope that if this proposal contained in my bill does not find favour with my colleagues at this time, it may be the basis for a similar move by government in the not too distant future, because I feel that a step such as this would reinforce and supplement the aims and objectives of the Canadian Bill of Rights.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemount): Madam Speaker, I took great pleasure in studying Bill C-239 today: I had the distinct impression of being back at the university, attending a seminar on constitutional law. I feel that, for a Friday afternoon, we are dealing with a most interesting and edifying subject.

Before I start, I should perhaps bring up some of the remarks made by the hon. member for Central Nova (Mr. MacKay) when he was referring to Bill C-2 which he claims is anticonstitutional. He suggested that bill should be referred to the Supreme Court for a decision. To my mind, he is wrong because, as we see it, Bill C-2 is very much constitutional, both from the point of view of the powers given to the government and that of the power of law and order stipulated in the bill in question. But that is a mere digression.

Bill C-239 would grant the citizens the right to refer constitutional matters, in other words the right of referral, pertaining to federal laws, to the Supreme Court with a view to obtaining its opinion on such matters. Now, as we know, under Supreme Court Act section 55, at the present time the Attorney General of Canada, that is to say the federal government alone has the right to refer a constitutional matter to the Supreme Court for a decision.

In order to better understand the reasons which prevailed in having section 55 inserted in the Supreme Court Act, it might be well to summarize this history of the Supreme court itself, and the British North America Act which gives the Supreme Court its powers and mandate.

In 1875 the Supreme Court by an act of the Parliament of Canada under Section 101 of the British North America Act was to have a general power of appeal. It was not to be a constitutional court as such but was to be given a general power of appeal on all matters of either civil, common, or penal law, or if constitutional issues arose out of a specific case introduced before a court of common law, civil or penal jurisdiction. But in principle a purely constitutional matter could not be referred because that was not provided for in the British North America Acts.

Indeed, the federal government at that time would have liked very much for this constitutional power to be put in the constitutive instruments of the Supreme Court. Unfortunately, that was not possible for several reasons, mainly the antagonism, indifference, and even refusal of certain provinces to grant the Supreme Court that right to examine constitutional issues, and more particularly the validity of certain federal or provincial legislation.

Furthermore, it must be remembered that at that time there was another very important judicial body, even more important than the Supreme Court—the Privy Council—which had the power in last resort to decide on matters submitted to the courts. In other words, that was the highest court in Canada at that time. It suited everyone at that time, particularly Lower Canada—Quebec—to let the Privy Council have the power of adjudication in the constitutional area because if that right of adjudication on constitutional matters had been left to the Supreme Court injustices could then have taken place in the opinion of Quebeckers or Quebec political representatives, in the application of constitutional laws and the jurisdiction of

the provinces in their relationships with the federal government.

To counter somewhat that lack of power of the Supreme Court in the constitutional area, the federal government of that time nearly imposed an additional jurisdiction upon the Supreme Court. It had to accept an ad hoc reference power in practice under which the Attorney General of Canada could refer to the Supreme Court and its judges for decisions on matters involving the constitution, matters concerning the validity of provincial legislation, matters involving federal-provincial relations, and even issues concerning interprovincial relations.

I repeat, that this power was nearly forced on the Supreme Court because, in principle, this power exceeds the powers allowed in the British North America Act, and it is very important to understand this when studying Bill C-239, which simply extends the powers conferred on the Supreme Court by section 55 of the act, which is the power of reference. Indeed, everyone knows that as concerns strictly provincial acts, provincial attorneys cannot refer constitutional matters to the Supreme Court; they must refer them to their own Supreme Court, that is, the Appeals Court in Quebec and the Provincial Supreme Court in Ontario.

Hon. members know that in 1949, the powers of the Privy Council as the court of last resort in Canada were abolished and, in practice, the Supreme Court was given supreme power in constitutional matters. Once again, I emphasize the use of the expression "in practice" because, legally, it is not a constitutional court, but a general court. I say "in practice" because there was no other instrument or agency empowered to resolve constitutional problems; the Supreme Court received these powers in 1949. This new power conferred to the Supreme Court caused concern, and maybe justifiably so, to the provinces which, in their relations with the government and the various jurisdiction conflicts which have occurred throughout the decades, had to refer such problems to a court created by the central power, whose judges were appointed by that central power and which could not finally shift in its interpretation of the legislation and more especially of jurisdictions between the federal and provincial governments. The doubts and problems of the provinces as to the real fair-mindness of the Supreme Court in fact has given rise to various federal-provincial conferences.

At first, the Quebec government took the lead. In 1950, at a federal-provincial conference, the Quebec delegation clearly stated that the Supreme Court should only be an arbitration body and as such, the provinces should be entitled to show more interest than they do at the present time, even in 1975, in the appointment or in the process for the appointment of the judges or members of that superior constitutional organization.

The Quebec delegation then stated:

● (1610)

[*English*]

We consider that the Supreme Court of Canada in constitutional matters and in Canadian intergovernmental relations must fulfil all the requirements of an arbitrator.

[Mr. Lachance.]

[*Translation*]

Quebec had realized by then, maybe a little too late, the dangers of leaving that agency of the central power, the federal government, with the last say or the last decision with respect to jurisdictional disputes between provinces and the central government, in other words, with respect to the interpretation of the British North America Acts. The province of Quebec went on with its action, and the Tremblay Commission which had been appointed by the government of Quebec at the time came up with an argumentation with the thrust on two mainstays or central elements. Those two mainstays were actually the fact that the court in question—the Supreme Court—emanated from the central power, and since there was no provision in the Constitution, in the British North America Acts, with respect to that power of adjudication in constitutional matters, Parliament must necessarily increase ad hoc, in the facts, by and by, step by step, the jurisdiction of the Supreme Court in constitutional matters. This was a very progressive process, and a process which, once again, is provided for nowhere in the British North America Act.

The constitutional powers of the Supreme Court only stem from a series of over 180 decisions on constitutional matters which by and by created precedents and established the powers of the Supreme Court with respect to constitutional problems. It should actually be remembered that the decisions of the Supreme Court and the resulting recommendations when it is submitted a legal matter or a point of law for adjudication, do not have any legal binding power. They are only a means of trying to convince governments. Provinces are not bound in any way to accept the recommendations of the Supreme Court. There is, therefore, an important gap to be filled in that respect.

The second element of the findings of the Tremblay Commission was to the effet that, since Supreme Court judges are appointed by the central government, their decisions had to be, consciously or unconsciously, unfair to provinces. That is a trivial matter, but anyway a new process had to be found for appointments, possibly from a pool or through consultations with the provinces, I don't know. The Commission then said:

● (1620)

[*English*]

It would be sufficient, for example, to establish the custom of appointing to it former deputies or federal ministers. It would have been satisfactory if it had only been a matter of judging ordinary civil and criminal cases, but in constitutional conflicts it is neither normal nor satisfactory that a single party choose, appoint, and pay all the arbitrators.

[*Translation*]

Then followed a whole series of recommendations which remained ineffective for a number of years, because of a misunderstanding between federal promises, misunderstanding which is notorious over the years, since it repeated itself during the 1960 conference, when the then premier, Jean Lesage, presented once again the same arguments, and during the famous conference of Victoria when, once again, attempt was made to restore the situation in order to enable the provinces to have a consultation right in the process of nominating members of the Supreme Court.

So, the bill before us today, Bill C-239, is designed to increase the powers of reference by putting them in the Supreme Court Act, to give individuals the opportunity to refer directly to the Supreme Court matters affecting them and regarding the constitution or the validity of legislation.

I feel that under the constitutive powers and statutes of the Supreme Court as they now exist, nothing may be done because that constitutional power does not actually exist in right but is simply an extension of a general appeal procedure as confirmed under BNA Act section 101. I feel that if we broaden such competency by adding provisions to section 55, provisions that would prove theoretically valid, we would be granting the Supreme Court a jurisdiction to which it is not entitled. In fact, such action would be unjustifiable, and I am not speaking here of the additional work that this would entail for Supreme Court judges, but rather strictly from the standpoint of the interpretation of our constitution which should not permit, in my opinion, that the Supreme Court be granted these new powers, as suggested to us today by the hon. member for Central Nova (Mr. MacKay). This being said, we do not mean to wave aside the arguments of our colleague from the opposition party.

We have no constitutional court in Canada, which is a deficiency. Could we possibly institute a Supreme Court with constitutional jurisdiction, as in the United States? We all know that the U.S. supreme court has only a power of reference strictly in the constitutional law area. It is not empowered to receive evidence. If, for instance, a case is brought before a trial court or a Court of Appeal in the United States and that a matter of constitutional law arises the constitutional matter is referred to the U.S. Supreme Court which gives its ruling on that particular matter, brings it back to the trial court and on the basis of recommendations from the U.S. Supreme Court, the appropriate judgment is passed.

The same principle, with a few variations, exists in Yugoslavia, Germany, France and countries of the European Economic Community. Perhaps we have there a striking example of a court strictly specialized in the interpretation of the respective jurisdictions of the various European Community member states and which has no other competence. That is then complete, total specialization in constitutional matters. That is what Canada is lacking.

That constitutional court that we could establish through a reform in depth of our present Supreme Court versus general competence in appeals, could have exclusive and first jurisdiction in disputes occurring between provinces and the federal government, or still between provinces, or in the interpretation of the constitutionality of a federal or provincial law. It would be its sole and exclusive competence.

I suggest decisions would then receive much better acceptance among the parties involved, and we would indeed have a worthy adjudicating body, an impartial one, to the extent of course provinces would have their say in the selection of members of the court. This could therefore be a part of an organization that could render highly specialized decisions in constitutional areas. Maybe we could use the suggestion by the hon. member for Central Nova (Mr. MacKay) that citizens should be given an opportunity to refer to that court points of law, for adjudication, without having to go through the usual process of superior court, appellant court and all the way to the Supreme Court, if and when the latter accept to hear the case. I believe this cannot be done under the current Supreme Court Act. If reform were undertaken to establish a body with exclusive specialized jurisdiction in the constitutional field, this would be possible.

Madam Speaker, I will conclude these brief remarks by commending the hon. member for Central Nova for raising the matter. Once more, this is a most interesting constitutional problem, and I very much hope we can achieve the objective he pointed out, in the years to come or at least during a subsequent federal-provincial conference.

[*English*]

Mr. Stuart Leggatt (New Westminster): Mr. Speaker—

Mr. Prud'homme: You should have been leader.

Mr. Leggatt: Speak up, Marcel, so that *Hansard* can hear you.

When I initially looked at this bill I had certain reservations about it. I thought it might open the door for the proliferation of constitutional wrangles. But, I see the hon. member for Central Nova (Mr. MacKay) has fully covered this concern in the second proposed section which allows the court to decide if a question is "an important question". Deciding such questions has, of course, been the traditional role of our supreme courts. Therefore that apprehended shortcoming has been removed from the bill.

I congratulate the hon. member for Central Nova for bringing forward a bill which will, if passed, do something that is long overdue in this country, something toward which our jurisprudence is slowly edging. It will make our courts more accessible to citizens who have suffered a wrong or who wish to have their rights determined. These rights to access long ago were enshrined in the constitution of the United States. We are slowly moving in that direction.

It has always been a principle of our law that, when there is a wrong, our legal system must provide the remedy. That remedy should not have to come from our legislatures. It should be provided, bascially, by the courts. I support this bill as it is another progressive attempt to allow the courts to deal with private wrongs, so that private wrongs may be redressed by the existing legal system.

A similar principle should apply to the redress of minor wrongs. For example, individual purchasers of automobiles may encounter, individually, a minor amount of difficulty but, in the mass, there may be losses of millions and millions of dollars. I am referring, of course, to class action legislation under which classes of persons in this country would be empowered to go to court, or send a representative to court, in order to redress what is basically a private wrong multiplied thousands and thousands of times. If we would come forward with that kind of legislation we would provide deterrents to some of the sloppy manufacturers in this country who are not faced with the same kind of legal risk as their counterparts in the United

States. I suggest that would be a forward move in terms of Canadian legislation.

● (1630)

The same is true in the area where we have environmental laws. However, the amount of damage that any individual may suffer is so slight that, without status in a court for an individual, there is no deterrent to the industry that is doing the polluting. If we provide status to the entire group that has suffered the wrong, then the courts can provide some remedy.

I again congratulate the hon. member for what is really another process of democratization in the courts to see that individual rights are protected. The hon. member emphasized the problem of the power of the state. We in our western societies all have some concern that the power of the state is increasing. However, he did not mention the power of the corporate section of the community which is increasing at an even faster rate than that of the state. None of these things are good.

We all agree that the unlimited power of the state needs control. However, at the moment the power of bigness of corporations and, yes, trade unions has to be looked at in terms of protection against private wrongs that can result out of the idiom personality of these large organizations.

The hon. member for Lafontaine (Mr. Lachance) indicated that he did not believe the Supreme Court of Canada was a constitutional court although for a long time we have had the Constitutional Questions Determination Act. That court has been ruling on questions of the constitution and it has been doing a good job. I do not think we should have a separate court. The unique make-up of Canada in a federal state makes it imperative that we have a federal court by which all of the component parts, the provinces and otherwise, are bound. Certainly if there is a weakness in that, I would support a change.

In the circumstances I want to make these remarks as brief as I can. I congratulate the hon. member on the bill. It is a progressive step to give an individual the right to determine a constitutional matter affecting him.

Mr. Hugh Poulin (Ottawa Centre): Madam Speaker, it is significant that this bill is brought on at this time by the hon. member for Central Nova (Mr. MacKay) when the Supreme Court of Canada is this year celebrating its one hundredth anniversary.

Some hon. Members: Hear, hear!

Mr. Poulin: We in this land are very blessed to have such a high quality of court. It has been so, and improvingly so since confederation. This court has consistently grown with the needs of our community with the administration of justice. It has continued to be as it should be, an independent branch of our parliamentary and democratic system, separate from the legislative branch and the executive branch. They have been an outstanding court. They continue to be so under the leadership of the most eminent Chief Justice of the Supreme Court who holds that position at the present time.

On the occasion of the celebration of the one hundredth anniversary of the court this fall, there will be very distinguished visitors coming to Canada, including the Lord High Chancellor of Great Britain, le premier président de la Cour des Sessions de France, and Mr. Justice Byron White of the Supreme Court of the United States. I am sure we who are here join with the members of that court in wishing them a great celebration upon this occasion.

May I say to the hon. member for Central Nova that although at first blush his bill seems to indicate that he is entering upon a new field, in fact this is the type of field in which the Supreme Court has been entertaining applications and granting leave to appeal.

There was one case from the hon. member's province which was decided recently. It was a very important case, the Nova Scotia Board of Censors versus Gerald McNeil. The case had to do with the constitutionality and whether or not it was *ultra vires* of the province to pass a certain law. This one individual as a taxpayer and citizen was granted the right by the Supreme Court of Canada to have his appeal heard, and it was heard. Therefore, I cannot agree with the bill in its present form for some reasons, one of which was referred to by the hon. member for New Westminster (Mr. Leggatt).

The hon. member said he was concerned about the bill in the first instance but he thought that subclause (2) would eliminate the dockets of the Supreme Court being overly cluttered by frivolous and vexatious matters—those were not his words—but so many matters of a constitutional nature. He said that subclause (2) granted to the court the right to determine what question it would or would not hear. I would point out that although perhaps the Supreme Court does have this right to determine what in their view are matters of importance and what they will hear, it would result in many hundreds of applications for leave to appeal the very items that the hon. member for Central Nova raises in his bill.

The practical part is that the applications for leave to appeal can and very often are an argument on the substance of the matter as well as an application to ask the court if they will hear it. Therefore it would take a tremendous amount of time, in any case involving a substantial issue, for the court just to deal with the applications for leave to appeal.

The proposals contained in this bill are unnecessary and are possessed of possibly very unfortunate consequences. Why this is so may be examined in terms of the two fundamental thrusts of the bill, namely, the standing of persons to launch the proceedings sought to be authorized by the bill and the nature of those proceedings that are to be in the form of a reference.

I will first address myself to standing. The bill assumes that the present laws relating to the standing of persons to bring before the courts "an important question of law or fact concerning the constitution of Canada or any public general law made by or under the authority of the parliament of Canada" are inadequate.

In two recent Supreme Court of Canada decisions, one of which I referred to earlier, the first being Thorson versus Attorney General of Canada, a general member of the taxpaying public was given standing to question the validity of the Official Languages Act, and the Nova Scotia Board of Censors versus McNeil, where a member of the public was permitted to attack the constitutional

validity of the provincial Theatres and Amusements Act, the highest court in the land acknowledged that it is not unlikely that the discretion of the court may be exercised in favour of giving standing to the sort of persons contemplated by this bill to question the constitutional validity of federal or provincial enactments.

In the first case, Thorson versus Attorney General of Canada, the former president of the Exchequer Court of Canada appeared personally to argue the case. He is acknowledged by all those who know him to be an exceptional man, an exceptional jurist, and an exceptional member of the bar. He argued this case as an individual without the necessity of Bill C-239 or any such legislation.

As a citizen and taxpayer, he argued as forcibly as he could to the Supreme Court that he had a right to be heard by the Supreme Court because it not only affected him as an individual but many other taxpayers. He argued that he should be permitted to be heard by the highest court in this land. He was heard, and he was given a full hearing. The Supreme Court of Canada recognized that this man, who was appearing not as a former jurist, not as the former president of the Exchequer Court of Canada, but as an individual, had the right on an important constitutional issue to be given a full hearing. I say this to indicate only that where there is such a matter of pressing and obvious concern the Supreme Court of Canada has grown and will continue to grow with the needs of the country as they relate to the administration of justice.

● (1640)

This liberal view of the standing of private citizens to bring into issue the constitutional validity of legislation was based in part, in the Thorson case, on Canadian and English jurisprudence dealing with standing in relation to the exercise of non-legislative powers and, in particular, on the powerful case of Dyson v. Attorney General decided by the English Court of Appeal more than 60 years ago. In terms of the respective legislative powers of parliament and the provincial legislatures, this is not a basis which may be strictly described as constitutional, and therefore it may be too early to say how far Canadian courts will be willing to take the laws of standing in non-constitutional situations. In view of these developments it may well be that the bill is not necessary to accomplish its stated purpose.

Even if the courts were not prepared to grant standing in a particular case, such as the case to which I have referred involving the former Mr. Justice Thorson and the case of the Nova Scotia Board of Censors and Gerald McNeil, the general law of the land already provides that an important question, to use the language of the bill, may in theory at least be litigated in non-reference proceedings by the appropriate Attorney General acting as *parens patriae*. Of course, it is where an Attorney General has been reluctant to do so that private persons have acted and, as in the two cases decided by the Supreme Court,—the cases to which I have referred—have been permitted to proceed. Moreover, there remains in the governor in council the authority under the Supreme Court Act to have important questions referred to the court for an advisory opinion.

Supreme Court Act

These provisions in the Supreme Court Act to which I have referred are section 55 in particular and section 35. First of all, may I refer to the general jurisdiction of the Supreme Court of Canada as contained in section 35 of the Supreme Court Act:

The Supreme Court shall have, hold and exercise an appellate civil and criminal jurisdiction within and throughout Canada.

Section 36 states:

Subject to sections 40 and 44 an appeal to the Supreme Court lies from a final judgment or a judgment granting a motion for a non-suit or directing a new trial of the highest court of final resort in a province or a judge thereof, pronounced in

(a) a judicial proceeding where the amount or value of the matter in controversy in the appeal exceeds $10,000, or the proceedings upon a writ of habeus corpus.

Or two other matters. Therefore, Madam Speaker, the general power as set out in sections 35 and 36 is that the Supreme Court has the ultimate authority in this nation with respect to all criminal and civil matters subject to a monetary amount.

If the Supreme Court of Canada were to entertain cases of a similar nature involving $500 or $1,000 there would be so many cases before the court that it would have a difficult time directing itself to setting the precedents upon which the country relies so much for the administration of justice.

I, personally, over here on my side, have great respect for and great confidence in the judges of the provincial courts, both the civil and criminal divisions. I also have great respect for and confidence in the County Court and District Court judges who are appointed by the Canadian Governor General in Council, and also for the Supreme Courts of the provinces and the courts of appeal of the provinces which each have within their terms of reference limits within which they exercise final authority.

To say that the Supreme Court of the province of Ontario or the Court of Appeal of the province of Ontario is not able satisfactorily to answer all questions when we have set a monetary limit, for example, of $5,000 is, to my mind, to undermine the authority of those courts which have continued to demonstrate excellence in their judgments, whether they be appointments of provincial governments or whether they are appointed by the federal government.

I have great faith. I think the manner in which we have set out their jurisdiction, through acts of this parliament or acts of provincial legislatures, should not be lightly tampered with; it should be altered only when there is a pressing need to do so, and I do not find such a pressing need, especially in view of what has been demonstrated as being the actions of the Supreme Court of Canada in the two very recent cases I have quoted.

I should like to pay a little special attention to the intervention of one of my learned friends, the hon. member for Lafontaine-Rosemount (Mr. Lachance). At the beginning of my remarks I drew attention to the one hundredth anniversary of the Supreme Court of Canada. He has just celebrated, I think, the 21st anniversary of his birth, not very long ago. He demonstrated by the content of his speech today that he is a learned man. He arrived in this House with a bachelor's degree in arts, I believe; he

also had a bachelor's degree in law. He was also an articled lawyer. Since coming here he has completed his bar examinations, and I believe this is a tremendous accomplishment.

Some hon. Members: Hear, hear!

Mr. Poulin: If I could quickly summarize what I have been saying, it is that to give any person the right to refer such questions to the court might be harmful and unfortunate for the following reasons: (a) the distinction between frivolous or vexatious questions and those which deserve serious considerations might be lost; (b) The court would lose control of its docket which might become so filled with these private references that ordinary, and perhaps much more important appeal, would be subject to lengthy delays; (c) the avowed purpose of the amendments to the Supreme Court Act abolishing appeals as of right in civil matters, to lessen the already heavy case load of the court, would be defeated in part.

Further, even requiring the court first to determine whether a question is an important question would place an onerous burden on the court because (i) it would increase the list of motions for leave to appeal, and (ii) there would not necessarily be any record or other basis present on which the court could make a reasoned decision on this question. This procedure is contrary to the general principle that only the governor in council in the case of the Supreme Court, and the lieutenant governors in council in the case of the provincial courts, should be able to refer hypothetical cases to the court for advisory opinions. Because of the costs involved in the litigation process, this procedure would favour those individuals and corporations in Canada with the necessary means to bear those costs, and allowing other interested persons to be represented fails to deal with this matter of economics and with a procedure that favours issues by those financially capable of paying for such a reference.

● (1650)

I conclude my remarks by saying that I believe the Supreme Court of Canada has amply demonstrated its ability to exercise its discretion in granting the right of appeal on constitutional matters to individuals in this country in a most exemplary manner in both the Thorson case and the McNeil case to which I have referred. Therefore I submit there is no need or necessity for Bill C-239, though I compliment the hon. member for Central Nova for bringing it on for discussion.

[*Translation*]

Mr. René Matte (Champlain): Madam Speaker, surely the hon. member's purpose for introducing this bill is highly commendable. He wants all Canadians to be enlightened concerning the constitutional significance of parliamentary legislation. In spite of his commendable purpose, however, I suggest that accepting such an amendment would mean accepting the Supreme Court of Canada as the indisputable authority with regard to the Canadian constitution.

Madam Speaker, if we were to accept such an amendment, there would be a general outcry in the province of Quebec.

Personally, I should be one of the first to denounce it, because a lot of Quebecers do not trust the Supreme Court, and they have a great many reasons not to do so. So I do not think we are ready yet to accept the authority of the Supreme Court in constitutional matters. I am therefore almost in agreement with the hon. member for Lafontaine-Rosemont (Mr. Lachance) when he says that only a body which would really represent the constituent elements of our country in a fair and equitable fashion would have this sort of authority which the Supreme Court would need to really render decisions in cases of conflicts. As a matter of fact, we are faced with one of these issues in the area of cablevision, and, Madam Speaker, when I heard the Prime Minister state in reply to my question that the federal government would not budge from its position, I was perfectly aware that a great many jurists could come forward and argue that under our constitution, communications, radio, television and cable television fall indeed under provincial jurisdiction. Then, at a given time, someone will have to decide where other agreements will be necessary, but in any case I am not sure that the opinion of the Supreme Court is undoubtedly the best because the Supreme Court is a creature of the federal government. It is always a little difficult in this very badly made country to make a judgment on these things because a country which, by virtue of its constitution, is a confederation is not a confederation after all. It is not a group of states which are in agreement, which unite for the best and for the worse, but it rather is a federation.

Yet, there is something ambiguous in our country which prevents us from being able to refer to a real constitutional authority, for the simple reason that there is no such authority: the Supreme Court is a creature and an organization of the federal government. Theoretically, it could therefore stand up for Parliament which it is a creature of and responsible to. And to those who claim that there is a host of extremely contentious issues on that matter, I would give as an example the matter of cablevision which is presently under discussion. However, one must admit that in spite of all these remarks that would obviously cause me to oppose such a bill, one must admit nevertheless that it should be good, Madam Speaker, to know just when the legislation passed by the Parliament of Canada is within the terms of the constitution. That would in effect avoid a number of problems which we meet and have met. And, if the Supreme Court were truly the body needed to solve all the problems, one would never have seen Madam Speaker, the frightful injustices that French-Canadians, or Quebecers have suffered which have never been redressed since provinces have made rules to abolish the French language. They have passed rules that could be judged as anticonstitutional. There was no authority to settle this problem, and even the federal Parliament's position on this matter is difficult to admit for some provinces. Then, it remains that the organization needed to make a decision should issue from every provincial authority so that we could refer to it if needed. But it would be very difficult now to refer to an organization that could stand up for one of the parties. This is why, despite the very commendable object of the bill, I would be inclined to reject it as long as the situation remains unchanged. May I say it is five o'clock?

The Acting Speaker (Mrs. Morin): Order, please. The hour appointed for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday at two o'clock.

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, July 21, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS

REQUEST FOR REPORT ON DISMISSAL OF MESSRS. CHO, CHEW AND McGUIRE BY CN TELECOMMUNICATIONS—MOTION UNDER S.O. 43

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise under the provision of Standing Order 43 on a matter of urgent and pressing necessity. Within one year, three men, Messrs. Cho, Chew and McGuire, employed by CN Telecommunications have been dismissed and their dismissal is in obvious violation of the company and union agreement which states that an employee cannot be discharged until his case has been thoroughly reviewed and he has been advised of the reasons for such a review. Therefore, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That this House instruct the Prime Minister to ask the Solicitor General for a full report on the involvement of the RCMP in this matter, request that the Minister of Labour investigate the firing of these men in relation to Section five (5) of the Canada Labour Code, and also that he order the Ministers of Transport and Communications to ascertain what input their respective departments had in these dismissals.

Mr. Speaker: Order. The motion being moved pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

DISASTERS

FIRE AT SPRINGHILL—POSSIBILITY OF FEDERAL AID

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Right Hon. Prime Minister who is doubtless well aware of the tragedy which has again struck the town of Springhill over the weekend. I should like to ask the Prime Minister whether he has had any conversations with the premier of Nova Scotia about any joint assistance that the two governments might give with a view to restoring the town of Springhill. In any event, could the Prime Minister give the House some general indication of the attitude of his government toward assistance for Springhill?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the government of course is aware of that disaster and has expressed concern. There has been no request from the government of the province as of a short while ago for the federal government to assist in any way. My understanding is that the provincial government is looking into the disaster and is asking itself whether it wishes to inform the federal government of its need for assistance. The House knows that the federal government has a set of rules under which it assists provinces when disasters reach a certain proportion.

Mr. Stanfield: In view of the somewhat successful joint effort of the provincial and federal governments years ago in encouraging the economy of Springhill by, for example, locating a minimum security penitentiary there, I should like to ask the Prime Minister whether, with a view to providing some encouragement to the people in that gallant community, he would discuss with the Solicitor General the possible advisability of a further expansion of that institution and whether he would discuss with the Minister of Energy, Mines and Resources the prospect of any development of a coal mine in Cumberland county.

Mr. Trudeau: I will certainly draw the recommendations of the Leader of the Opposition to the ministers.

* * *

FOREIGN INVESTMENT REVIEW ACT

REASON FOR FAILURE TO PROVIDE FOR REDUCTION IN UNITED STATES INVESTMENT IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Considering that the most recently published Gallup poll indicated that 71 per cent of Canadians believe that there is now sufficient U.S. capital in Canada and 58 per cent of our population want the government to take steps to buy back majority control of major U.S. firms, can the Prime Minister say why the government, in bringing in its regulations to implement the Foreign Investment Review Act, brought in regulations which, to paraphrase what the Minister of Industry, Trade and Commerce said on Friday, will not change in all likelihood in absolute terms the amount of U.S. investment in the Canadian economy, and further, why specific measures were not announced by the government to move in the direction in which Canadians clearly want the government to move?

● (1410)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must point out that in paraphrasing the minister, the hon. member has probably inadvertently given an incorrect impression of what the minister said. As to the rest of it, this seems to be argumentation. With respect, I would say that if Your Honour would allow me, I could give a very long resume on the government's position on this, but the occasion on which to make that kind of intervention was on Friday when the minister made his statement.

In brief, this government is more interested in channelling Canadian investments in the future into areas which are growth oriented and which are important in the new industrial age, rather than spending our savings and earnings to buy up any old thing just because it does not happen to be majority Canadian owned. That is a forward looking position which I do not expect the New Democratic Party to share.

ALLEGED GOVERNMENT PROMISE THAT FUTURE RESOURCE UNDERTAKINGS WOULD BE FIFTY PER CENT CANADIAN OWNED

Mr. Edward Broadbent (Oshawa-Whitby): In one of his more forward looking statements in the middle of an election campaign just over a year ago the Prime Minister indicated that in the future at least 50 per cent of all new undertakings in the resource field in Canada would be Canadian owned, and at that time the government promised it would do something to move in this forward looking direction. I wonder if the Prime Minister can tell us when or if we might expect the government to move in that direction?

Mr. Baldwin: Next election.

Right Hon. P. E. Trudeau (Prime Minister): In the last election campaign we also indicated that we would be proclaiming phase 2 of the Foreign Investment Review Act, which we did on Friday. We proclaimed it for some time next fall. I made it quite clear before to the House and to the country that we would not do all these things at the snap of a finger. They would be timed to suit the various contingencies of the economy, and that is why we took one step on Friday. We will be taking further steps later on.

REASON FOR DELAYING IMPLEMENTATION OF PHASE II UNTIL OCTOBER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, we wait. I have a supplementary question for the Minister of Industry, Trade and Commerce. I would like to ask him why the government thought it necessary to wait until the middle of October for the implementation of phase II, and why it could not give 24 hours notice, once the regulations were drawn up and made known to the civil servants, of the implementation of that act.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, it is for a very practical reason. We have to hire, and train people for the agency to administer phase II of the act. Those people have not been hired or trained. The second very practical reason is that we did not want to interfere with new business decisions which have been taken in all good faith and which would be cut off if we did this in the very arbitrary way which the hon. member is suggesting.

* * *

[Translation]

AIRPORTS

POSSIBILITY OF INSTALLING APPROACH SYSTEM AT VAL-D'OR

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

Can he tell us whether there have been any developments with regard to the request of the Department of Transport to the Treasury Board for a subsidy towards the installation of an approach system at the Val-d'Or airport?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, that is an administrative matter. When a decision has been reached, it will be announced.

* * *

[English]

TRADE

UNITED STATES QUOTA ON BEEF—IMPORT QUOTA ON EGGS—REQUEST FOR REPORT ON MEETING WITH UNITED STATES OFFICIALS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I would like to address a question to the Minister of Agriculture. On July 16 in the absence of the Minister of Agriculture the Minister of Industry, Trade and Commerce stated in the House that there would be a meeting in Washington last Friday, June 18, between Canadian and American officials and I quote, "with a view toward solving the impasse with respect to cattle and beef products moving both ways." I ask the Minister of Agriculture what is the current status of these negotiations, and is there another meeting in the offing?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, that meeting did take place in Washington last Friday. I believe it was a constructive meeting. There was an exchange of views, and when we are in a position to provide further information to the House, we will, of course, do so.

Mr. Hargrave: I will ask a supplementary question, I presume to the Minister of Industry, Trade and Commerce. In view of the press reports indicating American preoccupation with eggs in these negotiations, can the minister indicate whether the subject of our egg quotas was brought up during that meeting last Friday, and if so, can he state at least in general terms what the conclusions were regarding this phase of the negotiations?

Mr. Gillespie: Mr. Speaker, the American side did raise this question with the Canadian team, and the Canadian

team took note of the representations of the American side.

* * *

HOUSING

JUSTIFICATION FOR INCREASES IN MORTGAGE INTEREST RATES FOR CERTAIN CATEGORIES—EFFECT ON PUBLIC HOUSING SECTOR

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs who on April 28 said he was doing everything possible to make sure mortgage rates were kept as low as possible. Given that CMHC has now increased the rate from 9-⅜ to 9-¾ per cent for loans to provinces and municipalities for socially assisted housing and from 10 per cent to 11 per cent for loans under section 58, what justification can the minister give for the increases? Is this what he means by keeping interest rates as low as possible?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I think the hon. member realizes that under section 58 this is money lent to people as the lenders of last resort—people who can well afford as much as any Canadians can afford existing mortgage rates but in areas not served by conventional lenders. We do not think that public funds should be used to subsidize people, thus giving them an advantage they would not have anywhere else when that money can go to people who really need the assistance in the lower income groups. This is where our priority will be. In so far as lending to the provinces is concerned, this is something over which there is no discretion. We lend it to them at a standard rate ⅜ of one per cent over the rate at which we borrow from the Department of Finance and that is something over which there is no discretion.

Miss MacDonald: A supplementary question, Mr. Speaker. Will the minister inform the House what effect he believes this increase in rates will have on socially assisted housing—that is the money available to the provinces will have in this public housing sector? Can he tell the House if any assessment was made prior to the increase as to the effects it would have on the number of starts in the public housing sector?

Mr. Danson: Mr. Speaker, I do not think it will materially affect starts. It does make it a little more difficult. What it means is that our subsidies under 44(1)(b) will be in place to assist those who need assistance and that is what these agreements are for.

Miss MacDonald: A final supplementary, Mr. Speaker. Given that the minister has altered his position with regard to mortgage rates for socially assisted housing, will he now give us assurance that this is not the first step in an across the board increase in CMHC interest rates and that other NHA loans will not be similarly affected?

Mr. Danson: Mr. Speaker, I have not changed my position in relation to socially assisted housing. I can only say that CMHC lends the money at no more than ⅜ per cent above our borrowing rate, the minimum fraction of a percentage needed to administer these loans, which has always taken place over the borrowing rate.

* * *

TRADE

POSITION OF CANADA AT FORTHCOMING GATT NEGOTIATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question to the Minister of Industry, Trade and Commerce is somewhat supplementary to that asked by the hon. member for Medicine Hat. It appears that Canada may go into the next round of GATT negotiations with, literally, "egg on its face" because of what happened in the past few months and because of our trade moves. Can the minister tell the House specifically where Canada stands? What will our position be in these talks coming up this fall? Are we going to opt for more protection or are we moving into an area of freer trade?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the government has made it very clear that we are, as a signatory of the Tokyo round, interested in trade liberalization measures. In respect of the specific reference to eggs, I think the Minister of Agriculture, on a previous occasion, has made it very clear that we believe that the egg import quotas are fully consistent with our obligations under the GATT.

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EXTERNAL AFFAIRS

PURPOSE OF MINISTER'S VISIT TO UNITED NATIONS—POSSIBLE RELATIONSHIP TO ATTENDANCE OF PLO AT CRIME CONFERENCE IN TORONTO

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Secretary of State for External Affairs. Is the minister prepared to reveal to the House today the purpose of his visit to the United Nations last Friday and in particular to say whether he discussed with the Secretary General the matter of the PLO and its presence at the upcoming criminology conference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I hope to make a statement later in the day on this subject.

Mr. Speaker: Order, please. I was of course reluctant to advise the House in the place of the minister of his intention to make that statement. The minister has now done that, and I think any questions about that subject ought to be deferred until such time as the hon. Secretary of State for External Affairs makes his statement on motions later this day.

Oral Questions

CRIMINAL CODE

SUGGESTED IMMEDIATE ENACTMENT OF AMENDMENT TO PREVENT APPELLATE COURTS SUBSTITUTING VERDICT OF GUILTY FOR JURY ACQUITTAL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question to the Minister of Justice has to do with the announcement he made the other day, which is very welcome, of changes that he contemplates in the Criminal Code. Among them is one on which the minister, in the face of public opinion, has reversed himself. I refer, of course, to the objections I and some other members raised over and over again about the danger to our jury system posed by the judgment of the Supreme Court of Canada in the Morgentaler case. As there is an appeal pending before the Court of Appeal of Quebec against the second acquittal of Dr. Morgentaler and as this may lead to a parade of further prosecutions, would the minister consider bringing in an amendment to end this course at once—I think there is general agreement for this—instead of waiting until the fall or until the next part of the adjourned session of this House?

● (1420)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I appreciate the sentiment of the right hon. gentleman. The Criminal Code amendments encompass many important things and we might single out six or one dozen of them for immediate passage, according to his theory. I think the House would like the important nature of those amendments to be studied in committee and the usual processes to be followed.

Mr. Diefenbaker: Mr. Speaker, has there been any communication to the minister or to his deputy from the Attorney General or Minister of Justice of Quebec suggesting that this legislation should be held up pending the present appeal which, in normal circumstances, will not be heard by the Quebec Court of Appeal until October or November?

Mr. Lang: No, Mr. Speaker, there has not. I would also appreciate it if the right hon. gentleman from Prince Albert would not discuss the case which is before the courts.

SUGGESTED SEPARATION FROM BILL C-71 OF AMENDMENT PREVENTING APPELLATE COURTS FROM SUBSTITUTING VERDICT OF GUILTY FOR JURY ACQUITTAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is along the lines of that asked by the right hon. member for Prince Albert. As Bill C-71 is like a legal omelette, is the minister prepared to separate from the bill that part having to do with the verdicts of juries being upset by appeal courts and the Supreme Court of Canada? Would he separate that part from the legal omelette?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, if the purpose of the separation was that referred to by the right hon. gentleman, I have already answered that part of the question. Speaking of the form of the bill, it seems to me that it is appropriate to have a good number of different items in the Criminal Code dealt with in one Criminal Code amendment bill.

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ADMINISTRATION OF JUSTICE

PROPOSED DENIAL OF BAIL TO THOSE CHARGED WITH KIDNAPPING AND EXTORTION

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. As premeditated and planned kidnapping for the purpose of extortion is a most cowardly crime, and as the minister has not interfered with the minimum penalties, will he work out an agreement with attorneys general to this effect: that those caught before the overt act is completed and therefore charged with attempt to commit the crime will not be allowed to free on bail while their trial is pending, for the sake of the safety and security of society generally and the fears of wives and children of people in public life and in business?

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am not quite sure what the hon. member meant by that question, nor what his friends were applauding. I take it he assumes that we should provide different treatment for all persons accused in one particular area, that is, treat them differently when it comes to bail and that sort of thing. I think that kind of broad generalization about the criminal process is not helpful. I think, if we were to come down to the actual examination of the question, that many of the hon. member's colleagues would back away from the idea of trying to deal in an abstract and general way with individuals who can quite properly be handled by the discretion of the courts under the present system.

Mr. Woolliams: Mr. Speaker, am I to take it from the minister's answer that he basically endorses the idea of these people being released so that they can duplicate the same violent crimes?

Mr. Speaker: Order, please.

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FOREIGN INVESTMENT REVIEW ACT

STUDIES OF PERFORMANCE OF UNDERTAKINGS TO REVIEW BOARD—POSSIBILITY OF SANCTIONS FOR VIOLATIONS OF UNDERTAKINGS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce. It concerns the operation of Phase I of the Foreign Investment Review Act and, incidentally, the proposed operation of Phase II. Will the minister advise the House if his department has prepared any studies to do with the follow-up performance of those companies which have given undertakings to the review agency? Has there been any follow-up study in terms of their performance? Have there been any violations of the undertakings given with regard to takeovers during the operation of Phase I of the act?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the agency started to moni-

tor the results of the first set of undertakings which were given approximately a year ago last May. It will, on the anniversary date of each allowance, start the monitoring process to obtain information as to whether the company involved is living up to those undertakings. At the moment, it is too early to be able to provide any kind of definitive statement. All I can say is that the process of monitoring has already started.

Mr. Leggatt: As I read the present act, it does not provide for sanctions to be applied with regard to violations in undertakings. Is the minister considering moving into the sanction area where there is a violation of an undertaking? Clearly, decisions taken after a takeover are economic rather than legal. Until the minister decides that sanctions are going to be applied, the Foreign Investment Review Act is a meaningless piece of paper.

Mr. Gillespie: Mr. Speaker, the act provides for those sanctions. If the sanctions are needed, they will be applied.

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CANADIAN NATIONAL RAILWAYS

DISMISSAL OF MESSRS. CHO, CHEW AND McGUIRE BY CN TELECOMMUNICATIONS—REQUEST FOR REPORT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Transport of which I have given his office notice. Will the minister tell the House whether he has received reports on the dismissal of Messrs. Cho, Chew and McGuire, employees of CN Telecommunications on the pretext that they may be security risks?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. I thank the hon. member for having given me notice of this question. I immediately got in touch with the president of CN. I am supposed to have another discussion with him later about this matter. I know they have been following this practice for a very long time. However, this practice worries me as much as the hon. member. This is a very serious question and I want to discuss it with the Prime Minister and the cabinet. Possibly the hon. member will agree to wait until we know all the implications of the decision before I answer in the House.

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EXTERNAL AFFAIRS

APPLICATION OF PROVISIONAL GOVERNMENT OF SOUTH VIETNAM FOR ADMISSION TO UNITED NATIONS—SUGGESTED OPPOSITION BY CANADA UNTIL MISSIONARIES RELEASED

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact that the PRG has applied for admission to the United Nations, can the minister assure the House that Canada will oppose such admission and will urge our allies to do likewise until the PRG lives up to its fading promises and releases the Canadian missionaries held captive for over four months?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): On the second aspect of the question, Mr. Speaker, I would advise the hon. member that following his recent representations, I wired the foreign minister of the PRG asking for an up-to-date report on the missionaries in question and suggesting that, in accordance with previous statements made by the PRG, these missionaries be released. I have not as yet received a reply to that representation. On the question of admission of the PRG to the United Nations, the government of Canada will consider that in relation to other applications for admission to that body.

Mr. O'Sullivan: In view of the fact that for over four months the PRG seems to have been ignoring the various representations made to it, will the minister start talking the language these communist forces understand by advising them we will not go along with their request for admission to the United Nations and that that country will not receive any more foreign aid until such time as they return these Canadians to safety and freedom?

Mr. MacEachen: Mr. Speaker, I believe that the hon. member's recommendation is pursuing contradictory objectives simultaneously.

● (1430)

ANGOLA—REQUEST FOR REPORT ON SITUATION AND MEASURES TO ENSURE SAFETY OF CANADIANS

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of continued fighting among rival left wing factions in Angola amounting to almost total war according to recent reports, can the minister give us any information as to the situation there and tell the House whether any steps have been taken to ensure the safety of Canadian nationals who may be in that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): We have been following this situation. It is a matter of concern for Canada. I believe that Canada may have a certain role to play in this issue; but it is not taking the initiative in this situation.

Mr. Diefenbaker: It seems to be to abstain.

GOVERNMENT ATTITUDE TOWARDS UNITED NATIONS PLAN FOR SOUTHWEST AFRICA

Mr. Howard Johnston (Okanagan-Kootenay): In the light of the deteriorating situation in Angola, is the minister taking a less belligerent view toward Canadian involvement in United Nations plans to expose Southwest Africa to the same fate? The minister had some words to say about the fate of that area of Southwest Africa during his recent tour of the African continent.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Apart from the state of belligerency which the hon. member mentioned, we have already stated as a government our attitude with respect to Southwest Africa. We have stated that we regard it as illegally a part of South Africa, we have supported a United Nations commission with respect to Namibia. We have indicated recently our willingness to assist the Commissioner in his efforts to provide training programs for a possible future

corps of public servants who might manage a free Namibia.

Mr. Johnston: Has the Canadian government been approached to assist the United Nations relief operations in Angola?

Mr. MacEachen: No, Mr. Speaker.

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ENERGY

NATURAL GAS—INQUIRY AS TO ALLEGED SECRET REPORT INDICATING SHORTAGE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I had a question for the Minister of Energy, Mines and Resources, but he is not here; perhaps the Prime Minister, who supposedly knows a little bit about everything, might be prepared to reply. Has the government heard of an alleged secret document which came into its possession relating to the amount of natural gas available and apparently indicating there was a great shortage known to the government six or eight months ago?

An hon. Member: Another hidden report.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): I cannot respond directly to that question on behalf of the minister but I will take it as notice. He will be here tomorrow, and he will respond.

Mr. Baldwin: Will the parliamentary secretary ask the minister to search diligently and produce this document despite the well known proclivity of the government to act like a group of pack rats, hiding papers in all the cubby holes in its offices?

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NATIONAL CAPITAL

COMMUTER SERVICE—REPRESENTATIONS OF NEPEAN AND LUCERNE RATEPAYERS—MINISTER'S POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I address a question to the Minister of State for Urban Affairs with respect to representations made by the Nepean and Lucerne ratepayers' groups for a commuter rail service. In view of the urgent communications sent to the minister by the Lucerne group on June 24 and by the Nepean group on July 4, will the minister use his good offices to initiate a meeting of the agencies involved in order that this proposal, which has met fairly general public support, could be brought forward in an effort to determine whether the difficulties can be resolved and a commuter service established on both sides of the Ottawa River.

Hon. Barney Danson (Minister of State for Urban Affairs): I will certainly use my good office, modest as it is, to bring the groups together. I am certainly interested, and I have met with ratepayers' groups on both sides of the river. We are anxious to develop a continuing dialogue with them to make sure we are working toward common objectives to the extent humanly possible.

Mr. Baker (Grenville-Carleton): I want the minister to understand there have been letters sent to him on the dates I have mentioned. Could he review the rather extensive file from both groups and the National Capital Commission, which, by the way, has been most co-operative, and see whether this meeting could be brought on rather quickly in view of the time which has elapsed?

Mr. Danson: I will look into that question immediately. I cannot promise to make a statement on motions because the hon. member might take me to task.

* * *

POST OFFICE

REQUEST FOR EXPLANATION OF MINISTER'S ATTITUDE TOWARDS UNION LEADERS—SUGGESTED REMOVAL OF MINISTER FROM OFFICE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Postmaster General. In view of the fact that bargaining between the Post Office and the Canadian Union of Postal Workers is at the conciliation board stage, which is an extremely important stage for discovery of a basis for a peaceful and mutually satisfactory settlement, and in view of the government's often repeated hope that collective bargaining can take place between the employer and employee without resort to strike or lockout, and in view of the minister's well-publicized tirade against the democratically elected leadership of CUPW in calling them dishonest, deceptive and irresponsible, will the minister explain to this House why he has deliberately prejudiced the very sensitive and important deliberatings of the conciliation board by engaging in yet another round of counter-productive and frankly childish name-calling?

Hon. Bryce Mackasey (Postmaster General): The hon. gentleman should know that no conciliation board has been set up yet. Second, I will admit my words may have sounded harsh. But I owe the hon. member an explanation. Some weeks ago in the House of Commons I was charged by the union with not providing adequate personnel in the department for processing grievances. I rectified that situation, and the grievances concerning the Montreal workers who were suspended have been on the desk of the deputy minister for over three weeks in the hope and anticipation that in case any of these suspensions were too severe, a review would reduce them to a minimum. The unions in question, despite the invitation of my department, have on three occasions postponed these negotiations and have now notified us that they will be unable to appear to plead for these workers until some time in August.

Some hon. Members: Shame!

Mr. Rodriguez: My supplementary question is directed to the Prime Minister. The minister ought to know that that stage that he outlined is really a fourth step and all the arguments have been presented at the prior steps. In view of the paranoid and childish outburst by the Post-

master General which can only have grave consequences, will the Prime Minister consider removing the Postmaster General from the cabinet? Alternatively, will he consider giving him the Munro treatment by checking him into the local army hospital for a rest?

* * *

HEALTH

LACK OF DENTISTS IN NORTHWEST TERRITORIES REQUEST FOR MORE NUTRITIONISTS—GOVERNMENT ACTION

Mr. Arnold Malone (Battle River): Mr. Speaker, this question is for the Minister of National Health and Welfare. Can the minister cause an investigation to be made into deplorable dental health conditions in the Northwest Territories where I understand there are only 15 dentists to serve a region 1, 500,000 square miles in extent; dentists are saying they are extracting teeth because they do not have time to do any preventive dentistry or filling?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is true that there is a shortage of dentists in the Northwest Territories. The problem has been endemic for several years, and to solve it, we have set up a special school where people are specially trained to give intermediate care in dentistry. The school is now operating at Fort Smith. Every year, a number of graduates will join the labour force, especially in the Northwest Territories, to alleviate the lack of qualified dentists. I trust graduates from this school will soon be numerous enough to meet the needs in the area.

● (1440)

[*English*]

Mr. Malone: A supplementary question, Mr. Speaker. With some respect for that answer, I hope it can be hastened along very quickly. Would the minister also do something to increase the number of nutritionists in that area, where people are consuming over three quarters of a cup of sugar a day, people who traditionally have not had sugar in their diets—in view of the fact that a lot of health problems are being caused in that area?

[*Translation*]

Mr. Lalonde: Mr. Speaker, here again the problem raised by the hon. member is real. Furthermore, the inquiry Nutrition Canada has confirmed certain data in this respect. We are trying to recruit qualified dieticians, but again I must point out to the hon. member that it is difficult to recruit all the trained staff required in the Northwest Territories. If the hon. member has a few suggestions to present regarding persons willing to go there I shall be pleased to heed them.

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT POSITION ON ATTEMPT TO EXPEL ISRAEL FROM UNITED NATIONS

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. What is the position of Canada in view of the announced intention of over 50 countries to seek this fall to expel Israel from the United Nations General Assembly?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I hope to be dealing with that subject a little later in my statement, but in order that the matter be dealt with immediately, I should like to say that the position of Canada obviously is in favour of the principle of universality and it will resist very vigorously any effort to change the status of Israel at the general assembly.

Some hon. Members: Hear, hear!

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PENITENTIARIES

PROPOSED CLASSIFICATION INSTITUTION AT PORT PERRY—REQUEST FOR REPORT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, last week I gave notice to the Solicitor General that I intended to raise a question about the suggestion of the department that it build a classification penal institution in Port Perry, Ontario. In view of the reaction both pro and con in that small Ontario town to the suggestion, I wonder whether the minister has made up his mind as to what the department is going to do?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the penitentiaries service has decided to look at this proposal once more, and we are also looking at the possibility of placing the reception centre in that part of Ontario but perhaps in a different municipality.

* * *

HOUSING

POSSIBILITY OF EXTENDING REHABILITATION PROGRAM AND INCREASING FUNDS AVAILABLE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State for Urban Affairs responsible for housing. In view of the fact that the minister is having difficulty with housing starts and increased mortgage rates, and in view of the fact that he now has a program available under residential rehabilitation to provide funds for those on low incomes to rehabilitate their homes so as to conserve fuel and ensure safety as well as extend the life of the home, can the minister indicate whether it is his intention to expand the rehabilitation program under neighbourhood improvements or rural native housing in order to relieve the situation now existing in Canada's housing crisis?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, as the hon. member knows, my colleague the Minister of Finance eliminated sales tax on insulation materials in the very recent budget. In addition to that, of great assistance in these programs, not only for all Canadians but especially for the rehabilitation program, the arrangements under NIP are being pursued rather vigorously. As my hon. friend knows, this has taken a while to get going, but thanks to his interest and that of many of my colleagues we are trying to accelerate the rehabilitation aspects. The hon. member has pointed out the difficulty with rural rehabilitation, but I am now in the process of discussing and reviewing this program in the hope that we can accelerate it.

Mr. Marshall: A supplementary question, Mr. Speaker. In view of the fact that the allocation for Canada under residential rehabilitation is only $7 million, and Newfoundland, for example, will be provided with only $600,000, which will not put a dent in the need, would the minister consider very seriously expanding the funds, since he has reduced the $100 million urban demonstration program and the funds of other programs, to provide relief to those people in greatest need?

Mr. Danson: Mr. Speaker, I am in the process of reviewing those allocations at this time to see how the provinces are taking them up as well, and I shall look at this with a considerable amount of sympathy and enthusiasm, not only to put a dent in but to take some of the dents out.

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EXTERNAL AFFAIRS

PROPOSED SUSPENSION OF SALE OF CANDU REACTOR TO SOUTH KOREA IN VIEW OF STATEMENTS BY GOVERNMENT OFFICIALS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, may I address my question to the Secretary of State for External Affairs. In view of President Park's statement that South Korea would develop its own nuclear weapons if the United States nuclear umbrella were withdrawn and the later statement of the South Korean Minister of Science and Technology, Mr. Choi, that his country has the technical potential to develop its own nuclear weapons, has the government decided to suspend the CANDU reactor sale, since these Korean government statements are completely inconsistent with the stated policy of the Canadian government?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, a number of events have overtaken the comments attributed to these South Korean leaders, including my own seeking of assurances from the president, who advised me that his country had no intention of seeking and would not seek a nuclear weapons option. The government has not cancelled or altered in any way its undertaking to provide the nuclear reactor in question. Obviously, at the present time we are negotiating, with the Republic of Korea, safeguards agreements, and we are taking that and all other factors into account.

[Mr. Marshall.]

SALE OF NUCLEAR REACTORS—ALLEGED DIFFERENT TREATMENT BETWEEN DEMOCRACIES AND DICTATORSHIPS ON SAFEGUARDS

Mr. Allan B. McKinnon (Victoria): A supplementary question, Mr. Speaker. The minister has stated on several occasions that since all treaties can be broken the government must assess the credibility of safeguard assurances. In light of the immensity of the risk involved, why is the government requiring signed treaties on this question with full fledged democracies while being satisfied with verbal assurances of affluent dictatorships around the world?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, apart from the comments of the hon. member, the government is seeking from all countries precisely the same bilateral safeguards agreements. We are not accepting verbal assurances from one group and treaties from another; we are seeking exactly the same agreement from each country with which we do business.

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AIRPORTS

PROPOSED STUDY OF FACILITIES AT FREDERICTON, SAINT JOHN AND MONCTON TO ASCERTAIN IMPROVEMENTS NECESSARY FOR SAFETY OF PASSENGERS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that last night passengers on Air Canada's flight 635, with destination at Fredericton, were unloaded at Moncton and sent forward to Fredericton by bus because the air strip at Fredericton is not long enough to land a fully loaded plane of the type used in flight 635, would the minister consider an in depth study of the airports at Fredericton, Saint John and Moncton to see what improvements are necessary for the proper safety of passengers in New Brunswick?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if they moved the passengers by bus it was because they were interested in the safety of the passengers; otherwise they would have tried to land. So I do not think the hon. member has proved his case. Secondly, this is not the only place in Canada where some types of planes cannot land. There are other cities as important as Moncton with the same problem. For example, at Quebec City a DC-8 cannot land because the runway is not long enough, but nobody, not even the MP, has asked to have a longer runway.

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AIR CANADA

ARRANGEMENTS TO TRANSPORT PASSENGERS BY BUS TO FREDERICTON—GOVERNMENT ACTION

Mr. Fred McCain (Carleton-Charlotte): A supplementary question, Mr. Speaker. The minister has overlooked the fact that I said planes in service with Air Canada cannot land when fully loaded on these air strips. I have a

further supplementary question. Would the minister discuss with Air Canada the arrangements they have made to transport passengers by bus, in view of the fact that passengers have been brought by bus to the Fredericton airport after it had been closed, when no one was available, no transportation was available, no conveniences were available, and without very heavy pressures passengers would have been dumped in a dark airport without the means to get to their destination, which was the city of Fredericton.

● (1450)

Hon. Jean Marchand (Minister of Transport): I will see if I can obtain some information from Air Canada and supply it to the hon. gentleman.

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ADMINISTRATION OF JUSTICE

GOVERNMENT POSITION ON EXTRADITION OF PERSONS CHARGED WITH CRIMINAL NEGLIGENCE AS RESULT OF AUTOMOBILE ACCIDENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Justice. It has been some time since I asked the minister what the intention of the government is with regard to extradition proceedings concerning criminal negligence cases as a result of the use of a motor vehicle. I am sure the minister must have made up his mind by now and I hope he has the answer for us this time.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the essential answer is that the facts which are the basis of that charge will ordinarily, if they involve death, also be grounds for a manslaughter charge which, of course, is covered in the extradiction treaty and that will ordinarily be satisfactory.

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CANADIAN LABOUR COUNCIL

DATE OF COMMENCEMENT OF OPERATION AND COMPOSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Labour. It follows my questions of Friday concerning the Canadian Labour Council. In his answers on Friday the minister did not give an answer to the question concerning when we may expect the Canadian Labour Council to be initiated and put in place. I am wondering if the minister could also tell us whether he is able to give this House now any indication of exactly who will be represented on that council and by whom.

Hon. John C. Munro (Minister of Labour): Well, Mr. Speaker, I can advise the hon. member that the Canadian Labour Council is in its formative stage already. It has already had one meeting and is having another meeting later this week. There are approximately nine members from the labour side. There are nine members from the management or business side and, of course, the government is represented by a nucleus agreeable to both sides.

Mr. Fraser: Mr. Speaker, could the minister advise the House approximately when he expects the council he has described to become existent officially and to be of assistance to the government, to labour and management?

Mr. Munro (Hamilton East): It is already meeting and I think that fact is evidence that it is in existence.

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EXTERNAL AFFAIRS

PROPOSED LICENSING OF ITALIAN COMPANY TO MANUFACTURE CANDU REACTORS—PROVISION OF SAFEGUARDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs regarding reports that Atomic Energy of Canada Limited is negotiating an agreement with a private firm in Italy which would licence that firm in respect of the manufacture of the CANDU reactors in Italy and after certain time periods have elapsed would allow it to sell CANDU reactors outside of Italy to other countries. May I ask the minister what safeguards have been prepared by the government to ensure that CANDU reactors manufactured in Italy will not be sold to any country which is likely to use them for other than peaceful purposes?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I noticed this morning in *Hansard* that this question, and I believe a number of others, were asked on Friday of my colleague the President of the Privy Council. I have received a certain amount of information but not enough to justify answering the question. I would like to do that as soon as I have the additional information I have requested.

Mr. Speaker: One supplementary by the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, when the minister secures this information will he also inform the House wbether or not similar agreements are being negotiated with Argentina and Rumania.

Mr. MacEachen: Yes, Mr. Speaker.

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NATIONAL REVENUE

PROPOSAL TO OBTAIN BUILDING FROM AIR CANADA FOR COMPUTER CENTRE IN WINNIPEG—REQUEST FOR REPORT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Public Works I should like to direct my question to the Minister of National Revenue. Can the minister inform the House whether the Department of Public Works has obtained a building from Air Canada or CAE in Winnipeg to house a computer centre for his department.

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I know tenders have been called but I do not

know whether they have been closed or awarded because that is the function of the Department of Public Works. I will take notice of the question and find out for the hon. member.

Mr. McKenzie: Mr. Speaker, as the jet aircraft are only a short distance from the buildings the Department of Public Works would be looking at, will the minister check to determine whether landings of the jet aircraft will affect the highly sensitive computer equipment.

Mr. Basford: Mr. Speaker, I am sure that would have been considered by the officials, but I will check.

* * *

[*Translation*]

FINANCE

ALLEGED DELAY IN PAYMENT OF INCOME TAX REBATES

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Minister of National Revenue.

Could he tell the House when Canadians will receive their income tax refunds for the year 1974, as a great many are still waiting for them?

[*English*]

Hon. Ron Basford (Minister of National Revenue): An immense number of refunds have already been paid, in fact most of them. If the hon. member has some particular case where a refund has not yet been paid and the taxpayer feels he is entitled to a refund, I wish he would draw the particular case to my attention outside the House.

* * *

HEALTH

ALLEGED STATEMENT BY CANADIAN MEDICAL ASSOCIATION CONCERNING EFFECT OF BUDGET CUTS—EFFECT OF BUDGET CUTS ON SERVICE IN POOR PROVINCES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister aware of the statement made by the CMA that the budgetary policies concerning health announced in the budget will result in the rationing of health services in certain parts of the country? If the minister is aware of that statement would he give the House his unequivocable assurance that such rationing will not take place.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am well aware that the CMA has not declared what the hon. member said.

Mr. Yewchuk: Mr. Speaker, in view of the fact that the budgetary measures announced by the Minister of National Health and Welfare will not reduce the cost of health services but simply transfer the burden to the shoulders of the provinces, would the minister care to make a statement on motions in this House indicating what action will be taken to ensure that health services will not be reduced particularly in the poorer provinces.

[Mr. Basford.]

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have already clearly indicated, as did the Minister of Finance, that there is no reason why the measures announced should involve any reduction whatever of the quality of health services in Canada; much to the contrary, I feel that together with the provinces, we could even take steps to improve services while controlling cost increases which, especially during recent years, have proven to be very high.

* * *

[*English*]

ENERGY

SALE OF CANDU REACTORS BY ITALIAN COMPANY UNDER LICENCE—GOVERNMENT CONTROL OF SALES AND SAFEGUARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. It concerns an answer given to me by the Minister of Energy, Mines and Resources on July 10 with regard to safeguards in connection with any CANDU reactors exported from Italy under licence. In his answer the minister said that the Government of Canada would continue to insist that Canadian safeguard standards apply to any sale by Italy of CANDU reactors to third party countries. Is that a correct statement that was made by the Minister of Energy, Mines and Resources on July 10 and what mechanism does Canada intend to employ to enforce those safeguards.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will look at the answer given by my colleague and I will advise the hon. member whether I can agree with him that it is an accurate statement.

Mr. Speaker: The hon. member for Lanark-Renfrew-Carleton on a point of order.

Mr. Dick: Mr. Speaker, on Friday last you gave the Minister of Justice (Mr. Lang) an opportunity to raise a point of order in which he asked whether I had checked *Hansard* or was attempting to mislead this House. I want to inform you, Mr. Speaker, that in fact I had read *Hansard* very carefully and was not intentionally misleading the House, because although the word "often" appears in the minister's answer, the next sentence indicates that he expects people, when they have been found guilty of one charge, to plead guilty to following charges. It was the word "expects" with which I was most concerned. I should point out that if in fact the minister had answered the question I posed to him, he would not have got himself into the bind.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES ACT, QUEBEC

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND QUEBEC ASSOCIATION OF PROTESTANT SCHOOL BOARDS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, under Standing Order 41(2), copies of an exchange of correspondence between myself and the Quebec Association of Protestant School Boards on the subject of the Official Languages Act of Quebec.

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● (1500)

EXTERNAL AFFAIRS

STATEMENT BY MINISTER ON HOLDING IN TORONTO UNITED NATIONS CONFERENCE ON PREVENTION OF CRIME

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, earlier the hon. member for Esquimalt-Saanich (Mr. Munro) asked me about my visit to the Secretary General at the United Nations on Friday. I confirm that the visit did take place and my main purpose in seeing the Secretary General was to discuss the UN Congress on the Prevention of Crime and the Treatment of Offenders. In the course of that discussion I advised the Secretary General of the United Nations that Canada does not wish to proceed with the Fifth UN Congress on the Prevention of Crime and the Treatment of Offenders this year.

Some hon. Members: Hear, hear!

Mr. MacEachen: I have sought the Secretary General's co-operation in obtaining a postponement of the congress, and he has undertaken to study the situation in order to clarify the position. In the government's view, this congress cannot be held successfully anywhere this year.

Some hon. Members: Hear, hear!

Mr. MacEachen: Hon. members will recall that at the fourth congress held in Kyoto in 1970, the Government of Canada, in consultation with the province of Ontario, proposed that the venue of the next congress be Toronto, in September of 1975. This proposal was accepted by delegations and subsequently confirmed by the General Assembly. Since that time, however, there has been a steady deterioration of the atmosphere in which international conferences are held. I need hardly mention the discord which marred the sixth special session and the last regular session of the General Assembly, the recent conferences of the United Nations Industrial Development Organization, UNIDO, and of the International Labour Organization, ILO, as well as the International Women's Year conference in Mexico a few weeks ago.

Whereas a minimum of co-operation is essential to any progress in the international field, we have witnessed lately excessive confrontation on issues that were not related to the subject matter of conferences. The ingredients are well known: racialism in Southern Africa, the Middle East conflict, producer-consumer relations and the full range of economic development problems subsumed under calls for a "New World Economic Order". Canada believes that these are very real and difficult problems which must be dealt with urgently, in the appropriate international institutions, before they poison the body politic of the United Nations family; and let there be no doubt that we consider it necessary and desirable that political factors take their proper place even in the most technical of conferences. But they must meet some test of relevance, and in recent United Nations conferences this has clearly not been the case.

Hon. members are well aware that in respect of the Toronto congress on crime prevention, which was to take place next September, one of these issues had already become paramount. It arose from the resolution adopted in November, 1974, by the General Assembly, with Canada dissenting, inviting the Palestinian Liberation Organization, PLO, to attend its sessions as a permanent observer and, in a similar capacity, conferences convened under the auspices of the General Assembly or other organs of the United Nations. Accordingly, the Government of Canada was informed by the United Nations secretariat some time ago that observers from the PLO had been invited to attend the fifth congress on crime prevention and that the Canadian authorities were expected to allow entry, sojourn and exit to these participants.

Needless to say, it is with reluctance that the government has decided to seek postponement of the congress, but we concluded that it would not be possible, in present circumstances, to hold a successful congress on crime prevention in Canada or anywhere else. We are all aware of the public outcry for or against the admission to Canada, for this congress, of observers from the Palestinian Liberation Organization. We have all been worried by its divisive effect upon Canadian public opinion. We could not ignore the risk of public disorders. These factors would have led any government to reconsider a decision to host an international conference. But in the final analysis, two factors dominated in our discussions. The first was the inevitable intrusion of unrelated political considerations into the proceedings of the congress. The second was the re-escalation of violence in the Middle East and the consequent spread of its bitterness into Canada and subsequently into the congress itself.

It is obvious that such intrusion of the Middle East conflict, by adding to the already hopeless confusion between civil crimes and acts of war, would distort and subvert the purposes of what has essentially been up to now, and should remain, a technical meeting of experts from all countries, striving to develop international co-operation in a field of vital importance to the rule of law and to public order everywhere. As host country, we felt that Canada had assumed a major responsibility for the success of this congress, and in such an unfavourable political climate we did not see how we would possibly carry out our responsibility. I should add that we were also concerned about the coincidence of the congress with the seventh special session of the General Assembly on development and international economic co-operation, since the contentious atmosphere of one would in all likelihood seep into the other.

However, after an extensive review of the government's domestic and international obligations, we decided to inform the Secretary General of the United Nations that we did not want to be relieved of the responsibility for holding this congress but, rather, wished to postpone it. We did not want to withdraw our invitation to the United Nations, and we tried to avoid any steps which might have called into question our long-standing commitment to the principles of the United Nations. I emphasize that Canada's willingness to participate in and contribute to the operations of United Nations agencies remains undiminished.

The respite obtained by postponement must be effectively used by all to bring about sufficient improvement in attendant political conditions so that we may have reasonable assurances that technical conferences such as the fifth United Nations congress on crime prevention will be useful and productive. We hope that current negotiations for the reduction of tensions between some of the parties to the Middle East conflict will prove successful in coming months, and we will actively support the continuing efforts of the parties directly involved and of the United States government toward that goal.

Furthermore, the next General Assembly of the United Nations will provide an opportunity to affirm the principle of universality as a fulfilment of what ought to be a basic aim of the United Nations. More specifically, we will resist any attempt to exclude Israel or any other country from the proceedings of the General Assembly.

Some hon. Members: Hear, hear!

Mr. MacEachen: Acceptance of this principle would guarantee the status of Israel within the community of nations and thus remove one cause of instability in the area. So that in requesting the postponement of the congress, Canada is not shirking its responsibilities but actually taking on new ones. Through new initiatives, both bilateral and multilateral, the government will try to improve the political situation in the Middle East and in the United Nations, notably through our participation in the next session of the General Assembly which may be crucial for the future of the organization, given the fundamental character of the issues on which debates are expected to focus. Canada will consult with other interested countries on the ground rules governing technical discussions in United Nations arenas. Either independently or in co-operation with others, we will attempt to formulate and seek support for an effective resolution in the General Assembly on this question.

I also intend to accept, during the autumn, outstanding invitations to visit a number of countries in the Middle East. These visits, which the government already considered most useful for strengthening our relations with this region of the world, have taken a new urgency following the difficulties we encountered in holding the U.N. congress on crime prevention. The House can be assured that I will take this opportunity to solicit the views of my hosts on these difficulties and seek their views on the United Nations as a universal forum and an effective international instrument.

[Mr. MacEachen.]

● (1510)

Hon. members should note that our decision to seek the postponement of the congress for the reasons stated is consistent with the policy of the government on the Middle East. We will continue to cultivate, as we have done in the past, friendly and co-operative relations with all states in the region and to attach great importance to the development of these relations. Likewise, Canada has tried in the past to maintain a balanced and objective approach to the Middle East conflict and will continue to do so. We have always supported and defended the right of the state of Israel to exist in peace with its neighbours, behind secure and recognized borders. We have stated our conviction that no peaceful and stable solution to this regional conflict can be found without the participation of the Palestinians and the just settlement of their claims.

We have condemned the use of violence as a political instrument or as a means of retribution. We have participated in all UN peacekeeping and cease-fire supervision missions in the Middle East and contributed to the United Nations relief operations for Palestinian refugees. We have advocated, and continue to advocate, the full implementation of Security Council resolution 242. All of this, therefore, continues to be government policy.

We are confident that the initiatives to be taken by Canada and other countries on the future of the United Nations and the Middle East will lead to a different atmosphere in which the postponed Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders can be held in Canada, at a time to be decided upon, with sufficient assurances of success. It was agreed with the Secretary General of the United Nations that we should consult further on this question, and I expect to be in touch with him later this week.

Some hon. Members: Hear, hear!

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, having heard the lengthy statement of the Secretary of State for External Affairs (Mr. MacEachen), I can only conclude that the minister is becoming more and more adroit in the art of diplomacy, of course with a little help from the opposition. It is obvious that we are here in the presence of what could be called dynamic leadership. Issues are not settled, they are postponed, and they are postponed in such a way as to imply, for instance, that in the future no technical meetings of the United Nations will be able to take place unless this issue has been resolved.

I find it strange to hear the minister say to the House that he does not know if the conference will not be held. He has only approached the Secretary General, and the minister said: "He has undertaken to study the situation in order to clarify his position." That is all we know. What will the Secretary General say? What will be his decision? Nobody knows. How long will this conference be postponed? Nobody knows. Will it take place in six months' time, or a year? Will it take place elsewhere? In another sentence the minister said: "It cannot be a successful congress on crime prevention, in Canada or anywhere else." Must we draw the conclusion that the government is now taking the position that for months and months ahead, unless the Middle East conflict is resolved, there

can be no meaningful conferences of the United Nations, whether on crime prevention or anything else, within Canada or elsewhere in the world? That is a question to which we would like to receive an answer.

We are pleased to know that where Mr. Kissinger has failed, the minister would probably succeed.

Some hon. Members: Oh, oh!

Mr. Wagner: Now he is going to travel to the Middle East, and whether it is—

Mr. Baker (Grenville-Carleton): By helicopter?

Mr. Wagner: —by helicopter or otherwise, we certainly wish him good luck. However, in the meantime I find it very strange that the government has come to this decision, not because it is good for the country that this conference should not take place at this time, but because we all know what friction has already been caused. We all know that this decision will be viewed by many Canadians as a postponement, but at least also a guarantee that there will be security for our citizens and there will be no violence in September in Toronto. That is one thing which is sure. On the other hand, this decision should not be viewed by Canadians of Arab descent, for instance, as a slight or any expression of a partisan position. Rather, it should be viewed as an expression by the people of Canada of our concern for the continued rule of law and the continued commitment to a peaceful society in which all Canadians enjoy the freedom to express their own views.

Therefore, on this basis, because the government has been attentive to what has been said by the opposition, by leaders in government, by the provincial government of Ontario, by police chiefs, by the bar association and by the people of Canada, and has reached the decision that for the moment no conference should be held, we are grateful. However, when will the issue be resolved, and in what manner? What will be the impact of that government decision on the future of our participation in the United Nations? For the moment we expect more answers. I doubt whether we will receive them, but we expect something different from the government in the form of leadership and something more substantive than simply hoping that the problem will disappear with time.

Some hon. Members: Hear, hear!

Mr. Wagner: Too often it has been the habit of this government to say to the people of Canada that, hopefully, the problems will be resolved.

[*Translation*]

. . . in due course. And considering the circumstances, Mr. Speaker, it may be a good thing that the government take a lesson from this situation. The government waited too long. As a result, it allowed frictions to develop within the country, and threats to be heard in certain cities. Discord was apparent everywhere. In the final analysis, after having amused itself, the government issued ambiguous statements and finally adopted a compromise situation, which was not real one—putting off the conference until later.

I do hope, Mr. Speaker, that the government will learn from this problem by paying greater attention to the claims made by the opposition as well as to suggestions it may submit to the House and that, secondly it will try a more dynamic type of leadership than our present one, which smacks of procrastination.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, roughly a week ago the leader of this party, the hon. member for Oshawa-Whitby (Mr. Broadbent), issued a statement on the PLO on behalf of our caucus and it is the basis of our present thinking on this matter.

● (1520)

An hon. Member: Not always.

Mr. Brewin: Always. Perhaps some members of the House do not know what was said at that time. It was a short statement but a direct and clear one. We said that once again we expressed our support for the continued existence of the state of Israel within secure boundaries. We added that we support the people of Palestine and believe they are entitled to a firm, an independent and a secure state.

Some hon. Members: Oh, oh!

Mr. Brewin: I am not solving the whole problem right now.

Mr. Knowles (Winnipeg North Centre): Nobody else is, either.

Mr. Brewin: I should like to call the attention of the House to this. We said that the PLO, unfortunately, continues at the present time to include in its covenant or constitution a statement of its basic aims, which includes the liberation of the whole of Palestine as it existed before the surrender of the mandate by Britain, to be secured by a relentless, armed struggle with no compromise. This, I think, constitutes a fundamental commitment to destroy the state of Israel.

In addition to that, it is a fact, whether people like it or not, that the PLO has relied in the past upon terrorist actions directed at innocent people many of whom had no connection whatsoever with Palestine or Israel. We say, if the PLO is willing to indicate that the destruction of Israel, a sovereign independent state recognized by the United Nations, is no longer its objective, and to state it will proceed to seek its aims of an independent Palestine through negotiations, and forgo terrorism, then the situation would change fundamentally and a new approach would be taken.

The government, in these circumstances, has called for the postponement of the United Nations congress on the prevention of crime. Normally we would not applaud the government for postponing it. It is a technique that is too frequently used by this government, and others as well, to push problems under the rug, but in this particular case we believe the decision for postponement was a wise one. We think that to carry on with this congress under the present circumstances in Canada would have done no good to the cause of any of the parties to it, or any of the United

Nations, or of world peace. We think we are wise to say "not under these circumstances", but if a new situation develops, say a year from now, we would take a different attitude to the matter.

I note the reference in the statement by the Secretary of State for External Affairs (Mr. MacEachen)—and this is what we are relying on—that the interim period is to be used for a real effort to solve some of the problems that have existed. There has been too much pushing aside of the problems. We do not delude ourselves that there are any easy solutions, but we do say this year must not be allowed to pass without continued efforts to mobilize world opinion to see if difficulties can be solved by negotiation. With the prospect of war in the Middle East and the possible escalation into world war, there are few other greater threats, to my knowledge, than the present situation in the Middle East. Now we hope we are going to have a breathing spell in which to deal with the matter.

I just want to add that in what we say we are in no way undermining the United Nations. The views of the majority of the General Assembly are, of course, entitled to great respect, but in my view the basic principles of the charter are even more important. They call for the respect and integrity of member nations. Until those who participate in international conferences are willing to accept that principle, international conferences cannot hope to succeed. In our view the United Nations is essential, but we think it is human to err and the UN can, and does, err. We think the time has come for people of good will around the world, and in Canada in particular, to rally behind the UN and show in every way that we propose to support it.

Mr. Speaker, this statement is not clear on what the government would do if the postponement cannot be arranged with the authorities in the United Nations. We in this party want to make it clear that whether the UN agrees or not, this conference should be postponed until the conditions we have suggested, the abandonment of terrorism and the willingness of the PLO to give up its objective of the destruction of the state of Israel, are clearly stated. If this is done, a new situation will arise and a new day of peace may dawn.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I regret not receiving a copy of the minister's statement before three o'clock. Indeed, I did not receive it at all, so that I was unable to examine it.

I understand, Mr. Speaker, that the Canadian government was in a way yielding to some pressures coming from a source or another, but especially from one. Postponing that conference will not settle the problem. The minister has clearly indicated that the United Nations were disorganized and increasingly divided.

As a result of the decision to postpone the UN conference on crime prevention which was to take place in Toronto in the near future, there is another problem. What will happen to the conference on human establishments to be held in Vancouver in 1976? We shall be faced again with the same problem. What will happen in the case of the 1976 Olympic Games in Montreal? It is always the same thing.

[Mr. Brewin.]

The Canadian government assures us that all security precautions will be taken to guarantee the safety of all 1976 Olympic Games participants. Why not take the same security precautions for the conference which will take place in Toronto two months from now? We wonder why, but the issue has been postponed without being solved in any way.

In my opinion, the real problem between the Arab countries and Israel is that of the Palestinian refugees. That is the bone of contention, and as long as their situation is not settled, we shall have difficulties at every level of the United Nations, whether it be in New York, Toronto, Vancouver, Montreal or anywhere in the world. We shall be faced with the same problems, because I think the Arab countries have made up their minds to act through the PLO and succeed where they have failed since 1949.

[*English*]

Mr. Lawrence: Mr. Speaker, I should like to ask some questions of the Solicitor General (Mr. Allmand) on this matter, but as he is out of the chamber I guess I will have to direct them to the right hon. Prime Minister (Mr. Trudeau). I was just wondering what representations—

Mr. Speaker: Order, please.

Mr. Lawrence: Are we not allowed to ask questions?

Mr. Speaker: Order, please. I do not have in front of me the Standing Order relating to the proposed agreement, but it is my recollection that questions which are to be allowed during this period after a statement on motions are to be directed only to the minister who made the statement, and to no one else.

● (1530)

Mr. Lawrence: What representations, for instance, has the minister received from the Solicitor General about the cancellation? In effect, the government is cancelling a very worth-while conference. Anyone who has had anything to do with it knows it would have been worth-while. I have had a little to do with it for over five years—

An hon. Member: Question.

Mr. Lawrence: What representations has the Secretary of State for External Affairs (Mr. MacEachen) received from law enforcement agencies who have desired a conference of this type for over five years? Also, has he received any vigorous objections about the cancellation from his cabinet colleagues?

Mr. MacEachen: Mr. Speaker, I discussed the question of the conference with my colleagues, including the Solicitor General (Mr. Allmand). Obviously, I am not in a position to tell the hon. member the nature of those conversations, but I tell my hon. friend that the government's action is not a cancellation of the conference. Cancellation would have been the easy way out for the government. It could have washed its hands of the problem. We intend to work in the direction set out in the statement, and supported so well by the hon. member for Greenwood (Mr. Brewin). We want to hold a successful conference in Canada when the circumstances will justify the holding of that conference. We are seeking the co-operation of the

Secretary General for the holding of the conference later in Canada when circumstances will justify its success.

Mr. Lawrence: Mr. Speaker, in respect of this weak-kneed cop-out on the part of the government—

Mr. Sharp: Look who's talking.

Mr. Lawrence: —is the minister telling us that Canada is refusing to host this conference in any circumstances in which a terrorist organization such as the PLO will be admitted? Is that what the minister is telling us? I thought the minister was about to stand up and reply, Mr. Speaker.

Mr. MacEachen: What is the question?

Mr. Lawrence: My question is, will it be a prerequisite of this government that before this country will permit the holding of such a conference, the PLO is not to be admitted to a UN conference in this country on criminology and the rehabilitation of the offender?

Mr. MacEachen: Mr. Speaker, I really cannot understand the hon. member's position. It seems to be a total reversal of the line he has been putting forward in the House and certainly contradicts the line adopted by the hon. member for Saint-Hyacinthe (Mr. Wagner) who spoke for the Conservative Party. The hon. member is obsessed with the PLO. He ought to put this conference into a broader international context and understand that we want to host the conference in a successful and favourable political climate. The hon. member should direct questions concerning the admission of the PLO to Canada to the Minister of Manpower and Immigration (Mr. Andras).

Mr. Alexander: Mr. Speaker, I should like the minister to clarify the situation. We are trying to determine what the minister said. We are dealing with the PLO, notwithstanding the minister's rhetoric, and I want to ask—

Mr. Basford: He will shoot you down.

Mr. Alexander: The minister suggests that the Secretary of State for External Affairs (Mr. MacEachen) will shoot me down. I will take that chance. Is it the position of the government that the PLO should not be an invited participant to any outside conference sponsored by the United Nations? I think the question is clear and, in view of the minister's statement, deserves an answer.

Mr. MacEachen: Mr. Speaker, the answer is no. When the question of observer status was placed before the General Assembly, the Government of Canada took a position against the granting of observer status. The United Nations voted overwhelmingly to grant the Palestinian Liberation Organization observer status in the United Nations. Canada is not contesting the result of that decision, although it voted against that position.

Miss MacDonald: Mr. Speaker, may I ask the minister if, in his discussions with the Secretary General, the question arose as to what effect the postponement of this conference will have on the UN Conference on Human Settlements, scheduled to be held in Vancouver in 1976?

Crime Conference

Mr. MacEachen: Mr. Speaker, no, that was not discussed directly. Preparations will continue for the UN Conference on Human Settlements which is to be held in Vancouver in 1976. This government will try to create a climate which will also make it possible for the conference on crime prevention to be held in Canada.

Mr. Brewin: Mr. Speaker, may I direct a question to the Secretary of State for External Affairs and thank him for his kind words? I am always uneasy when I hear kind words from the government front benches. It makes me want to look carefully at the text of what I said. Has the Secretary of State for External Affairs received notification from the United Nations, that is, from the Secretary General or other authorities of the United Nations, that Canada's proposal for postponement will be acceptable?

Mr. MacEachen: Mr. Speaker, the Secretary General undertook to examine the situation with his legal advisers, and I can understand why. The reason is that the General Assembly, through a resolution, decided to hold the conference in Toronto and named Canada as host. Certainly, in my view, Canada has a role to play in this situation, a role which has to be considered. The Secretary General will communicate to me later in the week the result of his legal studies and we will probably discuss a course of action. We can decide whether to raise the matter before the General Assembly and secure a decision in the General Assembly to postpone the conference until a later date, which is one possibility—or it may be possible to seek a view at the Economic and Social Council of the United Nations which is now in session. It may be possible to secure that view at an early date. It seems to me that pending the clarification of the Secretary General, either of these courses might be justified from the legal point of view.

Mr. Brewin: Mr. Speaker, can the minister tell us if the government has made up its mind to this effect, that no matter what happens in connection with the United Nations, it will not allow this conference to proceed in Canada at present?

Mr. MacEachen: Yes, Mr. Speaker. I advised the Secretary General that in our opinion, if the conference were held this year in Canada or elsewhere, it would be bound not to succeed in the way it ought to succeed and that Canada would not be prepared to host the conference this year. We would, however, want to hold our position as host and to discharge our international responsibility when circumstances justify the holding of the conference.

[*Translation*]

Mr. Laprise: Mr. Speaker, the hon. Secretary of State for External Affairs (Mr. MacEachen) has indicated in his statement that he will travel to the Middle East, to invite the countries of the area, including Israel, to discuss this problem. Could the minister advise the House whether he will take this opportunity to raise the Palestinian refugee issue and try to solve the problem?

● (1540)

[*English*]

Mr. MacEachen: Mr. Speaker, as I mentioned in my statement, Canada has contributed very substantially through the years to assistance for the Palestinian refugees. We supported resolution 242 which refers directly to the Palestinians, and recently in my address at the United Nations I developed Canadian policy further with regard to the Palestinian people. We believe that the Palestinian people must be consulted about a settlement in the Middle East and they must be involved in that settlement. With regard to the specific question of assistance, if the hon. member is referring to financial assistance, we have been contributing financial assistance to the relief of the refugees.

Mr. Speaker: I propose to conclude the questioning with the hon. member for Esquimalt-Saanich (Mr. Munro), the hon. member for Comox-Alberni (Mr. Anderson), and the hon. member for New Westminster (Mr. Leggatt). I am not sure whether the hon. Leader of the Opposition (Mr. Stanfield) also wants to ask a question.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, there have been reports circulating to the effect that the visit last Friday of the Secretary of State for External Affairs (Mr. MacEachen) took place in circumstances of great secrecy, in fact to the extent that the Canadian delegation in New York was not kept informed of the discussions that were taking place. Will the minister assure this House and the country that at least the head of the UN delegation in New York was aware of the nature of the visit and the substance of the discussion that took place there? Otherwise, one is led to the conclusion that the minister is adopting a new form of individual diplomacy whereby he is not keeping the representatives of Canada abroad informed of the nature of some of the discussions that are taking place—a most deplorable development, if that were to be the case.

Mr. MacEachen: Mr. Speaker, I think I can put at ease the hon. member's concerns. The Canadian representative to the United Nations, Mr. Rae, was on leave on the occasion of my visit. The arrangements for the visit were laid on by his immediate subordinate, his second in command, who was not present with me when I spoke to the Secretary General, nor were any other officials present. However, he was fully informed as to the substance of the conversation. So that the mission in New York was fully informed about the visit, set it up and was informed as to the substance of the discussion.

Mr. Anderson: Mr. Speaker, at the United Nations Law of the Sea Conference in Geneva in March and April, 1975, the PLO did not attend although they had observer status. Did the Canadian government determine whether the PLO would in fact attend the conference in Toronto before this announcement was made?

Mr. MacEachen: Mr. Speaker, it is my information that the representatives of the PLO at the United Nations had had consultations with the UN secretariat as to the composition of the delegation that would attend the conference in Toronto. It is my information that the PLO intended to exercise its status at the crime prevention conference.

[Mr. Laprise.]

Mr. Leggatt: Mr. Speaker, the minister stated that he is looking for a change in conditions or climate for the holding of the conference. Will he specify what he wishes to see changed, in terms of the PLO attitude toward Israel, which would perhaps create that kind of climate? Second, will he indicate whether we can expect a definitive decision with regard to Habitat in Vancouver, in terms of the holding of that conference and where exactly the same conditions will apparently prevail unless there is a change in the so-called climate to which the minister refers?

Mr. MacEachen: Mr. Speaker, there are two broad conditions which would indicate an easing of the situation that caused us to seek a postponement of this conference. One is the extreme intrusion of unrelated political discussions into what ought to be technical conferences. Mind you, certain of the developing countries feel that these political matters ought to be discussed. It is our view that they ought not to intrude into what are technical conferences. We had a recent example at the conference in Mexico, which in my opinion was damaged because of unrelated political issues entering the discussion. We hope to make some progress in establishing ground rules against the politicization of these conferences. That is one situation.

The other is the expectation that in the meantime there will be a reduction in tensions in the Middle East and that the present unfavourable climate will, if not disappear, be reduced. For example, successful partial negotiations which Secretary Kissinger is presently working on would be a significant development. However, who can predict the future? It is possible that the Geneva talks will be held, the status of the PLO will finally be resolved and we can look to a generally more favourable situation in the Middle East. That is what Canada will be working to achieve in the intervening period.

Mr. Stanfield: Mr. Speaker, the Secretary of State for External Affairs (Mr. MacEachen) indicated to the Secretary General of the United Nations that Canada is not prepared to be host of this conference for the time being, and sought the co-operation of the Secretary General in obtaining a postponement by the United Nations. Does he intend to give the impression to the House that, provided he finds he has the legal authority, it is the view of the Secretary General that the conference ought to be postponed, and that he will postpone the conference long enough to meet the request of Canada? Also, will the minister indicate whether Canada is prepared to take this question of postponement to the United Nations, in the event that it is considered necessary, following the legal advice which the Secretary General of the United Nations receives?

Mr. MacEachen: Mr. Speaker, in reply to the first part of the question, the Secretary General undertook to study the situation and to be in touch with me, hopefully this week. He did not commit himself to any particular course of action. I indicated to him that I intended to advise the House that I sought his co-operation in postponing the conference. He agreed to that formulation of words. I am

hopeful that a postponement is possible. I did not think the atmosphere was hostile to that possibility but I cannot be sure whether that will be the final outcome or that the Secretary General will want to take a decision on that.

● (1550)

If it is legally open to Canada, as I think it may be, to raise the matter either at the Economic and Social Council or at the General Assembly, I will be prepared to do so in order to hold on to the possibility of the hostmanship of this conference and to indicate that as a country we want to discharge our international responsibilities in circumstances which would permit us to achieve some success. If that course of action were taken, as I think it ought to be, it would be up to member countries to say whether they agreed with us to hold it in more favourable circumstances.

Mr. Stanfield: I hope our friends do not abstain.

Mr. MacEachen: This is a more clearcut issue than most.

* * *

CANADIAN HUMAN RIGHTS BILL

EXTENSION OF LAW TO PROSCRIBE DISCRIMINATION AND PROTECT PRIVACY OF INDIVIDUALS

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-72, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals.

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

* * *

PROCEDURE AND ORGANIZATION

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved that the third report of the Standing Committee on Precedure and Organization, presented to the House on Friday, July 18, be concurred in.

Motion agreed to.

* * *

FISHERIES

PRESENTATION OF PETITION FROM NEWFOUNDLAND REQUESTING GOVERNMENT ACTION TO PROTECT MARINE RESOURCES TO EDGE OF CONTINENTAL SHELF

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have the honour to present a petition from the province of Newfoundland in which the petitioners request that the government take unilateral action to protect Canadian marine resources out to the edge of the continental shelf.

Some hon. Members: Hear, hear!

Mr. Carter: I might add that the petition is signed by the Premier of the province, the Hon. Frank D. Moores, by the leader of the official opposition in the Newfoundland legislature, Mr. Ed. Roberts, the leader of the recently formed Liberal Reform Party, the Hon. J. R. Smallwood, and by the president of the Newfoundland Fishermen's and Allied Workers' Union, Mr. Richard Cashin, a former member of this House. I might also say that to get those four gentlemen to agree with each other long enough to put their names on a single piece of paper is in itself quite a feat, and parliament should recognize that fact by their congratulations.

Some hon. Members: Hear, hear!

Mr. Speaker: The House is prepared to congratulate the hon. member for St. John's West (Mr. Carter) by receiving the petition.

Mr. Carter: Would Your Honour allow me to state the number of people who signed the petition? It is in excess of 100,000.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

FISHERIES

ALLEGED REFUSAL OF GOVERNMENT TO PROTECT MARINE RESOURCES TO EDGE OF CONTINENTAL SHELF

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I ask leave, under the provisions of Standing Order 26, to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the refusal of the government to take any firm action, including unilateral action, to protect Canadian resources to the edge of our continental shelf against the plundering of foreign nationals operating off our coasts.

Mr. Speaker: In accordance with the provisions of the Standing Order, the hon. member has been good enough to give the Chair notice of his intention to bring forward this emergency motion. He will be aware, as will all hon. members, that the subject which is the content of the motion is one which has been debated a number of times since he and I became colleagues in the House of Commons and, I presume, for many years before that. It has been the subject of considerable debate, difficulty and disagreement. There has been discussion about the acceptability of different limits. The matter has been the subject of controversy at several Law of the Sea conferences. It is one of great importance and concern, but because of its continuing nature, its complexity and the extent to which it has been discussed in this House and by other distinguished bodies, I would have to consider it one which cannot be the subject of a motion at this time under Standing Order 26.

Order Paper Questions

ROUTINE PROCEEDINGS

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: 32, 1,838, 2,504, 2,520, 2,575, 2,592, 2,595, 2,790, 2,794, 2,806, 2,865, and 2,866.

If question No. 2,695 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

TRIPS BY PRIME MINISTER IN ONTARIO—USE OF GOVERNMENT AIRCRAFT

Question No. 32—**Mr. Cossitt:**

1. In regard to the trip by the Prime Minister commencing April 25, 1974 to certain places in Ontario including the Ontario Liberal Party annual meeting in Sudbury (a) what specific government aircraft were used for any aspects of transportation and, in each case, what is the cost per hour of keeping such an aircraft in the air including fuel, salaries and all other factors (b) where did each flight begin and terminate and what are the names and functions of all persons who travelled in the plane carrying the Prime Minister and in any other accompanying government-owned aircraft?

2. Will the Prime Minister discontinue using government-owned aircraft at public expense for purposes of political or personal travel and (a) if so, on what date (b) if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Defence, Transport and the Prime Minister's and Privy Council Offices as follows: In so far as the Department of National Defence is concerned: 1. (a) Three CH 135 utility helicopters were used at a cost of $415. per flying hour per helicopter including fuel, salaries and all other factors. (b) The schedule to various localities in Ontario was as follows:

	Leave		Arrive	
Ottawa	25 Apr.	9.15 a.m.	Toronto	11.20 a.m.
Toronto	25 Apr.	4.23 p.m.	Hamilton	5.20 p.m.
Hamilton	25 Apr.	10.00 p.m.	Toronto	22.40 p.m.
Toronto	26 Apr.	1.15 p.m.	Woodstock	3.35 p.m.
Woodstock	26 Apr.	4.10 p.m.	Sarnia	5.05 p.m.
Sarnia	26 Apr.	5.55 p.m.	Toronto	8.00 p.m.
Toronto	27 Apr.	10.00 a.m.	Ottawa	12.05 p.m.

In so far as the Department of Transport is concerned: 1. (a) Viscount CF-GXK. Cost, $750 per hour.

(b)	Originated	Terminated
	Ottawa	Hamilton
	Hamilton	Toronto
	Toronto	Sarnia
	Sarnia	Sudbury
	Sudbury	Ottawa.

[Mr. Speaker.]

In so far as the Prime Minister's and Privy Council Offices are concerned: 1. (b) The Prime Minister, appropriate staff and press.

2. No. (a) Not applicable. (b) The Prime Minister travels in government owned aircraft as a matter of policy in order to minimize inconvenience to the travelling public and for security reasons.

CANADIAN AUTONOMY IN UNION CONTROL

Question No. 1,838—**Mr. Herbert:**

1. Has the government House Leader discussed recently with the Leader or House Leader from a minority Opposition Party the possibility of introducing legislation to ensure the same degree of Canadian autonomy in union control that has been sought in resource development and, if so, with whom and on what date?

2. Is the government studying the alleged intervention by the US parent in the United Aircraft labour dispute?

3. Is the government studying the alleged intervention by the US controlled international union in the Mount Wright labour dispute?

4. To what extent, if any, has the operation of Canada manpower centres been circumvented by the employers or employees in the disputes?

5. Is a suitably qualified unemployed person disqualified from unemployment insurance benefits for refusing to accept employment opportunities in companies and on sites where there is an existing labour dispute?

6. (a) To what extent does provincial legislation render inoperative, in whole or in part, the federal regulations to unemployed persons (b) is any new federal legislation in this field presently under consideration?

7. Does the government intend to prevent any foreign intervention in the sale of Canadian exports?

8. Does the government intend to prevent any foreign intervention in the construction, organization and administration of Canadian labour unions?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Labour, Manpower and Immigration, Industry, Trade and Commerce and the Unemployment Insurance Commission as follows: 1. Discussions between House Leaders have always been considered to be confidential and it is therefore not possible to answer this question.

2. No.

3. No.

4. It is not possible to say whether either the employers or the employees have circumvented the operations of the Canada Manpower Centres as there is no requirement for them to utilize the services of the department. The policy of the department in industrial disputes is as follows: The Department maintains a neutral position in respect to a labour dispute; the employment services of the department are available to both employer and employees should they wish to use them; the department will accept orders for workers from an employer and will offer a referral to prospective workers informing them, both orally and in writing, of the existence of the dispute; the worker is free to accept or refuse the referral in question.

5. In accordance with Section 40(2)(a) of the Unemployment Insurance Act an employee would not be disqualified from unemployment insurance benefits for refusing to accept employment opportunities in companies and on sites where there is a labour dispute. 40(2)(a)—For the purpose of this section, employment is not suitable

employment for a claimant if it is (a) employment arising in consequence of a stoppage of work attributable to a labour dispute.

6. (a) The subject of Unemployment Insurance is expressely within the competence of the federal parliament in accordance with the amended provision 2A of Section 91 of the British North America Act, which amendment was passed in 1940. In consequence, provincial legislation may not render inoperative in whole or in part the federal regulations to unemployed persons. (b) Any new legislation proposed will be announced in the House at the appropriate time.

7. The simple answer to the question is, yes. The government on a continuous basis seeks the removal of impediements to Canadian export trade. Foreign intervention in the sale of Canadian exports may take a variety of forms. For example, foreign-controlled companies in Canada sometimes fall under the influence of foreign legislation restricting international trade or are restricted by parent companies from engaging in certain export trade. To deal with this kind of situation, the government has proposed certain amendments to the Combines Investigation Act to provide a legal basis to direct Canadian companies not to take decisions which would adversely affect Canada's external trade as a result of foreign laws or of directives from persons outside Canada.

8. Policies of trade unions in Canada, including questions relating to their national or international affiliations, are determined by procedures internal to the unions concerned as detailed in their constitutions and/or by-laws.

TOTAL EXPENDITURES BY DEPARTMENT OF PUBLIC WORKS IN CONSTITUENCY OF TÉMISCAMINGUE

Question No. 2,504—**Mr. Caouette (Témiscamingue):**

1. In the past ten years, what was the total expenditures of the Department of Public Works in the Constituency of Témiscamingue?

2. What was the nature of the projects and the amounts spent on each?

Hon. C. M. Drury (Minister of Public Works): 1. Expenditures for past seven years available only:

Fiscal year	Expenditure
1968-69	$ 373,642
1969-70	290,500
1970-71	345,652
1971-72	648,513
1972-73	1,777,178
1973-74	442,302
1974-75	737,196
Total	$ 4,614,983

2. Expenditures on capital projects over the seven-year period were as follows:

Location	Description	Amount
Anglier	Post Office	$ 29,933
	Quinze Dam Renovation	10,000
Noranda	Air Conditioning and Extension to Mail Lobby	24,913
Notre Dame du Nord	Quinze River Bridge	1,190,402
Rouyn	New Federal Building	415,615
	U.I.C.—Building-Alterations and Improvements	125,441
St. Eugene-de-Guiges	Wharf and Launching Ramp	6,206
Témiscamingue	Post Office	90,239
	Dam-Stop Logs	11,478
	Road Widening	300,723
Ville Marie	Post Office	238,155
Total		$ 2,443,105

Expenditures in excess of those detailed above were for the routine operation and maintenance of existing buildings and facilities.

PUBLIC SERVICE COMMISSION—NUMBER OF PERSONNEL HIRED TO IMPLEMENT PROPOSED OCEAN DUMPING ACT

Question No. 2,520—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons were hired (a) through the Public Service Commission (b) under contract by the Department of the Environment for duties relating primarily to the (i) implementation (ii) administration of the proposed Ocean Dumping Act?

2. In each case, what was the date of the original employment or commencement of contract?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. None.

2. Not applicable.

DEPARTMENT OF PUBLIC WORKS—LANGUAGE TRAINING

Question No. 2,575—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of Public Works for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. C. M. Drury (Minister of Public Works): 1. The total budget for Language Administration in Public Works is $533,000 of which $252,000 is specifically allocated for internal language training.

2. (a) Figures are not available for salaries of personnel receiving instruction. (b) Salaries of instructional staff are covered under item "c" following. (c) $252,000 for supplementary services purchased from the PSC. (d) No other costs.

GRANTS OR LOANS FOR COMMUNITY-OWNED TV CABLE SYSTEMS

Question No. 2,592—**Mr. Brisco:**

Is there any department that provides grants or loans for (a) the construction of a community-owned TV cable system (b) the construction of community-owned TV towers for TV signal pickup and, if so, which one?

Hon. Mitchell Sharp (President of the Privy Council): No.

Order Paper Questions

PRISON INDUSTRIES PROGRAMME

Question No. 2,595—**Mr. Beatty:**

1. With reference to the fact sheet of the Department of the Solicitor General dated May 1, 1975 and sent to all Members of Parliament and Senators (a) how many inmates are currently employed in the prison industries programme (b) what is their wage scale at the present time (c) when is it expected to reach the minimum wage level (d) how much are the participating inmates being charged for their lodging?

2. What is the maximum sentence still remaining to be served by each participating inmate?

3. (a) How does an inmate who is still in the prison become unemployed (b) how does he become eligible for collecting benefits from the Unemployment Insurance Programme into which he is making contributions?

4. In times of high unemployment, are area residents who are not inmates given the opportunity to apply for similar jobs at the prison at the same pay scale as the prisoners and, if so, is the hiring priority given to an unemployed person from the surrounding community or to a prisoner?

5. What plans is the government considering for the expansion of this programme?

Hon. Warren Allmand (Solicitor General): 1. (a) (b) (c) (d)—The new prison industries program referred to in the fact sheet of the Ministry of the Solicitor General dated May 1, 1975 is expected to commence operating in April, 1976. The inmates currently employed in the present industries program number approximately 1,650. The new prison industries program will operate at first on an experimental basis at the Joyceville Institution in Ontario and is likely to employ approximately 80 inmates. The daily rate of pay paid to the 1,650 inmates employed in the present program varies from 70 cents per day to $1.000 per day. The new prison industries program will provide for a pay scale commencing at approximately 60 cents per hour and gradually progress up to the federal minimum wage of $2.20 per hour. The increases in hourly rate will be based on the inmate's performance and production at work. A final decision has not been reached as to the percentage of salary earned to be charged to the participating inmates for their lodgings. However it is expected that this percentage will vary from 20 per cent to 25 per cent of the salary earned.

2. The maximum sentence still remaining to be served by each participating inmate will be one of the various factors to be considered by the Work Board of the institution before an inmate is allowed to participate. The total sentence of the participant may vary from two years to life.

3. (a) An inmate still in prison participating in this new Prison Industries Program will become unemployed upon transfer from the Joyceville Institution or for such reasons as insubordination, refusal to work, inability to produce in accordance with quality standards, etc. (b) Such an inmate will only become eligible for collecting benefits from the Unemployment Insurance Program upon legal release from penitentiary and if he meets the requirements set by the Unemployment Insurance Act for drawing such benefits.

4. No. This program is being developed specifically with the aim of resocializing inmates.

5. This new Prison Industries Program pilot project will be operated for a period of two years and be evaluated at that time to establish its rate of success before any expansion program is undertaken. Assuming that success is achieved through this experiment, favourable consideration will then be given to its gradual expansion throughout those Penitentiary Service institutions where industrial programs are in effect.

[Mr. Sharp.]

AMOUNT SPENT FOR SUPPLIES BY NCC AT PRIME MINISTER'S OFFICIAL RESIDENCE, 1973-74

Question No. 2,790—**Mr. Cossitt:**

With reference to the answer to Question No. 1,666 which stated in part that the National Capital Commission spent $4,646 for "supplies" at the Prime Minister's official residence at 24 Sussex Drive during 1973-74, what is a complete list of all items making up this total along with the cost in each case?

Hon. Barney Danson (Minister of State for Urban Affairs): The National Capital Commission spent $4,646.03 for supplies at the Prime Minister's official residence at 24 Sussex Drive, during 1973-74 for the following items: Tubing, Pipe, Flat Iron, Welding Rods, $2,024.22; Paint and Paint Brushes, $24.48; Gloves and Goggles, $20.93; Chalk Line and Markers, $5.75; Tools, $66.00; Oxygen and Acetylene, $124.62; Pickets, $17.40; Post Caps, $45.36; Concrete, Crushed Stone, Black Sand, $574.75; Flowers, Shrubs, $1,279.00; Trees, $89.00; Wheelbarrow, $44.01; Gasoline, $29.33; Fertilizer, $281.46; Ice Melting Pellets, $18.72.

AMOUNT SPENT FOR SUPPLIES BY NCC AT PRIME MINISTER'S OFFICIAL RESIDENCE, 1974-75

Question No. 2,794—**Mr. Cossitt:**

With reference to the answer to Question No. 1,667 which stated in part that the National Capital Commission spent $5,896 for "supplies" at the Prime Minister's official residence at 24 Sussex Drive during 1974-75, what is a complete list of all items making up this total along with the cost in each case?

Hon. Barney Danson (Minister of State for Urban Affairs): The National Capital Commission spent $5,895.79 for supplies at the Prime Minister's official residence at 24 Sussex Drive, during 1974-75 for the following items: Fertilizer, $232.40; Janitorial Supplies, $110.24; Gasoline, $66.94; Flowers, $3,428.00; Paint Supplies, $55.89; Building Supplies (wood), $49.15; Electrical Supplies, $24.28; Fire Extinguisher, $34.23; Snow Scrapers, $39.60; Weed Killer, $75.90; File Records (Stationary), $23.70; Shears, $25.58; Peat Moss, $103.50; Granite Sets, $1,598.30; Clay Pots, $28.08.

STUDY OF PROVINCIAL EDUCATIONAL SYSTEMS

Question No. 2,806—**Mr. Herbert:**

1. Has the government requested a comparison of or is it considering studying the differences and relative merits of the provincial educational systems?

2. Are comparative provincial educational standards necessary for efficient placement service by the Department of Manpower and Immigration?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Secretary of State and the Department of Manpower and Immigration as follows: 1. No.

2. No. Although such information might conceivably facilitate the mobility of workers inter-provincially, there

is no evidence to suggest that this would be a factor for an efficient placement service by the Department of Manpower and Immigration.

METEOROLOGICAL TRAINING

Question No. 2,865—**Mr. Brisco:**

Is the level of meteorological training of designated CATA personnel consistent with current AES presentation standards at stations where CATA personnel have replaced AES staff or are working with AES staff?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): CATA personnel are not working with AES presentation staff nor have they replaced AES presentation staff.

AES—AERADIO OPERATIONS

Question No. 2,866—**Mr. Brisco:**

At how many airports in Canada were AES presentation technicians replaced by Aeradio operators?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): None.

* * *

QUESTION PASSED AS ORDER FOR RETURN

SUPPLY AND SERVICES—CONTRACT AMOUNTS

Question No. 2,695—**Mr. Elzinga:**

1. How much in contract amounts did the Department of Supply and Services spend in each province or territory in (a) 1968 (b) 1969 (c) 1970 (d) 1971 (e) 1972 (f) 1973 (g) 1974?

2. What was the budget in contract amounts for the Department of Supply and Services for (a) 1968 (b) 1969 (c) 1970 (d) 1971 (e) 1972 (f) 1973 (g) 1974 and what percentage of the budget for each year was spent in each province or territory?

3. What percentage of the Canadian population lived in each province or territory in (a) 1968 (b) 1969 (c) 1970 (d) 1971 (e) 1972 (f) 1973 (g) 1974?

Return tabled.

GOVERNMENT ORDERS

[*English*]

PUBLIC SERVICE STAFF RELATIONS ACT

PROVISION FOR APPOINTMENT OF DEPUTY CHAIRMEN AND FULL-TIME AND PART-TIME MEMBERS OF BOARD

Hon. Mitchell Sharp (President of the Privy Council) moved that Bill C-70, to amend the Public Service Staff Relations Act, as reported (without amendment) from the Special Joint Committee on Employer-Employee Relations in the Public Service, be concurred in.

Motion agreed to.

Mr. Sharp moved that the bill be read the third time and do pass.

Public Service

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as a member of the Special Joint Committee on Employer-Employee Relations in the Public Service, I rise on third reading to indicate the general acceptance of our party for this important measure. It is, however, an interim measure and the agreement of our party is of an interim nature without prejudice to our position on the final report of the committee which is now studying this matter.

● (1600)

During the various weekends that I am able to spend in my constituency I am finding more and more objections to, and reservations about, the manner in which staff relations in the public service are being regulated. People are fed up with strikes, for example. They are fed up with hold-ups in the mail. There is not a great deal of information that reaches the public in this area except when there is a breakdown of negotiations. This is most unfortunate.

Clearly, one reason for disruptions in the service that the public service is paid to provide, particularly when negotiations for a new contract with Treasury Board are under way, is the failure of the Public Service Staff Relations Board as presently constituted to meet in full the various tasks assigned to it. We have heard from the chairman of that board, an eminent lawyer and specialist in the field of labour relations, Mr. Jacob Finkelman, how the board has found it impossible to resolve employer-employee problems given the present structure of the board.

The board has a number of functions, among the most important of which is to provide rulings on matters that come into dispute between negotiating parties, such as matters of designating confidential exclusion, judgments relating to alleged illegal actions by unions or by management in connection with strikes and lock-outs, and also individual cases in the same areas. There is a further function of arranging, though not necessarily providing, for conciliation and arbitration as required. The calls upon the board have been multiple in the course of time since the board was first instituted in 1957. Mr. Finkelman has drawn to the attention of the special committee that was struck to examine the whole matter just how difficult it is, with a board constituted on a part-time basis, to deal with these many problems.

There was lengthy and amicable discussion in committee since all members of the House, I am happy to say, took a deep interest in the matter and are anxious that the service be provided to the Canadian public in the best manner possible. I pay tribute to all members for their participation and their keenness in questioning; it has been, I think, an exciting and profitable exercise.

However, the Public Service Staff Relations Board, operating on a part-time basis and coming together at the call of the chair once every two or three weeks, say, cannot possibly deal with the dockets before it. For this reason, on hearing the submission of Mr. Finkelman, chairman of the board, the committee decided to ask parliament, on an interim basis, to provide the board with a more permanent status so it could meet regularly, discharge the dockets before it and thereby meet the tasks assigned to it.

On many occasions the accusation has been made that Treasury Board refuses to negotiate in good faith. This may or may not be. Sometimes it is possibly true; on other occasions it could not be the case. But if the failure of the Public Service Staff Relations Board contributes to this situation because the board is unable to resolve some of the matters before it, thereby preventing one or other of the negotiating parties from coming to terms, then I think it is up to us in this parliament to repair this defect in the PSSRB by giving it the status of permanence and providing it with the equipment to meet its assigned tasks. But again I underline that this is without prejudice to what the special committee should finally decide to do about the whole problem of collective bargaining in the public service.

During the committee proceedings, I contended—and I devoted some time to this also in the House during the budget debate—that somehow or other the public interest must be more deeply involved or vocalized, more deeply articulated, in the negotiation procedure in the public service. After all, in the final analysis it is the public that is the employer. There is a surrogate employer at the moment in the form of Treasury Board, or Treasury Board specialists, but in the final analysis the public is the employer. It pays for the service, it expects the service, and it becomes very annoyed when it does not get the service.

It is my impression that in the special committee in which I participated, that element has not been, yet, fully dealt with. We have not managed, for one reason or another, to ensure that the public interest is fully represented at the bargaining table, as one might say in shorthand. There are not even any proposals before the committee to deal with this question; we are still dealing with it in terms of the present structure—repairing here, making amendments there.

It is my firm intention to make sure that everything is done so that the public is more deeply represented in the negotiating procedures. Any measures or legislative provisions to accomplish that purpose which might run contrary to the legislation now before us will, of course, have to supersede this legislation. That is why I said at the beginning that this is an interim measure. The party to which I belong approves the measure that is being brought forward as an interim measure, conditionally; subject and without prejudice to any further and different sorts of measures that may have to come forward ultimately to deal with this problem.

There is little more that needs to be said at this time, Mr. Speaker. The chairman of the Public Service Staff Relations Board has urged the committee, with all the power in his body, to come forward with some interim relief for the heavy burden now facing the PSSRB, and the measure that was agreed upon in the report and which has now come forward in legislative form will certainly provide that. With the reservations I have already made, I wish to indicate the approval of my party for this measure.

● (1610)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in earlier speeches made on the subject of this bill, members of the New Democratic Party have made it clear that we support the purpose of this legislation. The bill would restructure the Public Service Staff Relations Board so that it can cope more adequately with the pile-up of disputes, certifications and adjudication of problems. We support a measure that would tend to ameliorate this build-up.

However, the act being amended by this bill deals with the very important question of the collective bargaining rights of civil servants. Indeed, the Public Service Staff Relations Board itself is inextricably involved in a current and symbolically important dispute which I should like to take a few minutes to discuss this afternoon, namely, the suspension of Mr. Arthur Stewart, president of the 8,000-member Supply and Services union. Mr. Stewart is an elected head of a union representing a significant number of civil servants. I wish to spend a few minutes on this important case because crucial questions of principle have been raised on the matter by the minister who is directly responsible, the Minister of Supply and Services (Mr. Goyer) and by the Prime Minister (Mr. Trudeau).

I hope at the conclusion of my remarks, which deliberately will be kept brief, the minister responsible for this bill will reply and make clear what I consider to be the ambiguous position of the government in respect of the rights of civil servants arising from the Arthur Stewart case. Mr. Stewart, Mr. Speaker and members of the House will recall, was suspended for making certain public criticisms of the department in which he worked, the Department of Supply and Services. While he worked in that department he was also the head of a union.

The public criticism that Mr. Stewart made of his department can be broken into two elements. One is that he was critical of the labour relations which existed within the department and which currently exist within the department. The other is that he criticized the hiring within the department of too many senior management people. In his public criticism which took the form of an article published by the Ottawa *Citizen*, Mr. Stewart did reach explicit connections between what he regarded as faulty labour relations, on the one hand, and inappropriate hiring of too many management personnel, on the other, and the minister. In other words, there was an explicit connection made by Mr. Stewart between what he considered bad administration by the department and the minister's responsibility.

I wish to make essentially two points on this. First, the kind of public criticisms made by Mr. Stewart of his department were essentially administrative in nature. That seems to me to be of fundamental importance in this case. Second, such criticisms made by Mr. Stewart, as a trade union representative, ought not only to be his right but also his obligation if he is effectively to do his job as a representative of the working people in that department. If that is the case, then what possible justification could there be for his suspension?

He was suspended for three months without pay. That constitutes a reduction of his income by 25 per cent for one year. It is not a trivial matter in terms of his personal subsistence, but quite apart from that an important matter of principle is at stake here. What grounds would justify Mr. Stewart's suspension? One which we must reject outright, of course, is that attributed to the Minister of

[Mr. Munro (Esquimalt-Saanich).]

Supply and Services who was quoted by the press as saying he would be prepared to accept criticism from his peers but not from an employee. That kind of position, I hope, would not be accepted by members of any party on either side of the House. I would hope that upon reflection the Minister of Supply and Services would agree that he overstated his case. Certainly I hope it is an overstatement for a minister of the Crown to say that no form of criticism is to be justified except from his peers.

A different kind of justification was offered for the suspension of Mr. Stewart by the Prime Minister. The Prime Minister prefaced his comment in the House, in reply to the questions put by me last week, by saying that he did not have the details of the case. However, not having the details of the case did not prohibit his reaching what he regards as a profound conclusion. He went on to say that he shared the minister's judgment that Mr. Stewart ought to have been suspended because he was making political criticism. If hon. members would check *Hansard*, they would find that the Prime Minister took that position. When pursued, in subsequent question periods, by myself about what is the definition of "political criticism", the Prime Minister offered no answer, relying—as he does quite frequently—on rhetorical responses in an effort to deal with the issue by not facing it at all.

I say, in all seriousness, that the issue is of great importance. If the Prime Minister is to say that the kind of criticism made by Mr. Stewart as a trade union official of the department constitutes political criticism, the only conclusion one can draw from that is that any criticism made by an employee or trade union official would constitute political criticism. If a trade unionist criticizes the internal functioning of a department on an administrative basis, as was done by Mr. Stewart—which has been said by the Prime Minister to be political—then I suggest that, surely, criticism about wage levels within a department in the course of bargaining in private or in public would also be political criticism. Questions about the number of hours of work within a department would also constitute political criticism. A member opposite says that is nonsense. I should like to ask him why it is nonsense.

The negotiators for the packinghouse workers, for the steelworkers and for the UAW, to name three unions in Canada, do not hesitate to criticize the internal administrative operations of corporations with whom they are negotiating, because when speaking for the employees they represent—whether in corporations or departments—union members have a legitimate interest in the whole functioning of either the private corporation or the government department. They feel as employees they have a basic obligation to make suggestions about improvements in a firm or department. Surely, since we permit such rights, without anyone seriously questioning them, to exist for trade union people in the private sector, we should permit them as well in the public sector for a representative of the employees to speak on their behalf and to make internal criticisms.

● (1620)

The second reason, apart from trying to improve the functioning of the private corporation or the internal operations of the department, is the more immediate point which is made frequently, that if you administer your department better, as a result you can perhaps get better pay for your employees. It is not an entirely unique situation for trade union negotiators to suggest that by clearing management waste a company will be able to pay employees a little better. That is another purpose for making the kind of criticism that Mr. Stewart made of the Minister of Supply and Services. Again, I would like to know why that should be stopped and why not only Mr. Stewart but now, by implication, any union official in the civil service will be curtailed in making such statements.

I say that if that is the position of the government, then what this case amounts to is a significant intimidation of all civil servants employed by the federal government, because what the federal government is saying is that if you have an effective spokesman representing you and making criticisms of the department, then that spokesman runs the very serious risk of losing his job, or at least of losing it for a good part of the year. How could you develop a more inhibiting kind of procedure than to tell the people who are negotiating with the government that if they get tough with their negotiations, if they are really serious about them, they may lose their jobs? I hope that the Prime Minister simply overstated his case, as he does on occasion in the House in reply to questions, and that in the final analysis he does not regard the kind of criticism made by Mr. Stewart as the kind that warrants a suspension. I would like to hear the minister clarify that situation this afternoon in winding up the debate on this bill which, as I said earlier, we support.

I think it is of basic importance that the people elected by the civil servants of Canada to represent them should be free, in terms of the range of topics they can raise in criticism of the minister heading the department or officials working under that minister. To restrict their freedom of action along the lines stated by the Minister of Supply and Services, and along the even broader lines indicated by the Prime Minister, will seriously inhibit their effectiveness in terms of doing the job for which they were elected by the civil servants, namely, good bargaining with the government.

Before I sit down I want to point out, as I did in the question period, that even if one allows, as I do not, that the kind of criticism made by Mr. Stewart is political, surely the punishment handed out by the government is away out of line in terms of what would be justified by any sense of decency or equity. Just compare the situation of Mr. Stewart with that of Admiral Boyle in the navy on the east coast of Canada when he spoke to the Conservative Party caucus on the defence policy. As an admiral in the navy, he spoke to a political party in explicit criticism of the government's policy. Nothing could be more political than the kind of statement that Admiral Boyle made, and nothing could be more appropriate than the government's response, which was to point out that no admiral or other official of the Department of National Defence should have the right publicly to criticize the defence policy of the Crown.

I agreed with the government's position in that instance and I agree that policy statements constitute political criticism. But compare the punishment handed out to Admiral Boyle with that handed out to Mr. Stewart. Mr. Stewart, a man with considerably less income and consid-

erably less influence in the government, is suspended for three months, with loss of income, while Admiral Boyle—who makes explicit political criticism—is brought to Ottawa for a little chit-chat with the minister. As the minister pointed out, no doubt his actions were wrong. But that is all that was done. He was sent back to the east coast and told not to speak to the Leader of the Opposition (Mr. Stanfield) and those Conservative fellows again in that way, because it was out of order for an admiral in the Canadian navy to so act. We agree with that, but what we do not agree with is a government that interprets the administrative criticism of another employee as a political act and then takes away that man's income for three months.

Mr. Stanfield: Mr. Speaker, I rise on a point of order because I want to correct what the hon. member said about me with regard to Admiral Boyle. I want to tell the hon. member, through you, Mr. Speaker, that I was not present and that I would never allow an admiral to criticize the government or the Prime Minister.

Mr. Broadbent: I apologize to the Leader of the Opposition and accept his word. I just thought he was present at that harmonious meeting of his caucus colleagues. I accept his point that he was absent on that occasion. However, with regard to the point I was making about the inappropriateness of the admiral's comments at the time, I am sure the Leader of the Opposition shares my point entirely.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will be very brief on this matter. The hon. member for Oshawa-Whitby (Mr. Broadbent) spoke about the situation with regard to the criticism of the government by a civil servant, a matter which was first raised by my colleague, the hon. member for Grenville-Carleton (Mr. Baker). I intervened, in the form of a question supplementary to those asked by the hon. member for Oshawa-Whitby. Because this is a subject in which I am quite interested, and because we are wrestling with this sort of thing in a joint committee at present, I want to say that there are, obviously, certain areas where those who are advisers to the government and in close contact with it must have some inhibition with regard to their open criticism, though I do not think we need to define them at this time.

However, I want to say that one of the reasons civil servants of this government are driven, from time to time, to indulge in open criticism, and occasionally to see that documents within the possession of the departments are sometimes provided surreptitiously to the press and to the public, is the inherent penchant of this government for obsessive secrecy.

The test is when a civil servant sees that if the document or the information which is essential to be released for the good of the public, for the welfare of the country and for the good of parliament, is released, he or she would be in a difficult position. True enough, his responsibility as a civil servant may compel him to say to himself that he should not do this, but as a citizen of this country he has a certain responsibility with regard to the decisions which are made in parliament and to information which should come to the public. I think that is the kind of test where at present, unfortunately, civil servants are limited.

I know that the President of the Privy Council (Mr. Sharp)—and I give him and members of the committee credit for it—seems to have some knowledge of that. They have not gone as far as I want them to go. It may well be that they may go further. But the document I asked about today, concerning a very important issue, is one which the country and parliament should have had provided for it when we were involved in the debates last winter in connection with energy matters.

● (1630)

According to the press, we now find that there was in the possession of the government six or seven months ago a document with regard to the very critical situation in the supply and the potential supply of natural gas. That information, if it was in the possession of the government—and that has not been denied today—should have been made public and should have been made available to members of this House for the purpose of the debate which was then taking place. If it was as essential as I deem it could have been, it may well be that a civil servant, despite his relationship with the government, might have been justified in releasing it.

My seatmate once had the honour to be premier of the province of Nova Scotia, and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was once premier of the province of Saskatchewan. I imagine they must have had certain rules with regard to information; no government can operate on the basis that everything which comes into the possession of a civil servant must be released. The case of Mr. Stewart has been referred to by the hon. member for Oshawa-Whitby. It forcibly points out the need to engage in the adoption of certain rules which will probably make it unnecessary for that kind of action to be repeated.

Some hon. members may have been observing the very interesting case in the United Kingdom where the diaries of the late Richard Crossman are now the subject of legal action. The late Mr. Crossman, a very distinguished member of the Labour cabinet whom I had the pleasure of meeting both here and in the United Kingdom, who was also Lord Privy Seal, government House leader and quite a scholar, left diaries with regard to his operations within the Labour Party and the Labour government. I think those diaries were vetted, so far as matters of national security were concerned and those parts which were sensitive within the public domain, and about a quarter of the diaries was published in the London *Times*.

There was then a proposal to publish them in book form, but the prime minister, Mr. Harold Wilson, the leader of the socialist Labour Party in the United Kingdom, issued instructions to his attorney general, Mr. Silkin, to secure an injunction prohibiting the publication of those papers on the ground that they were inimical to the public interest. As a matter of fact, knowledgeable journalists and political scientists who observed the material in those documents have come to the conclusion that they simply showed ordinary, fallible men making grievous errors and operating in darkness or near darkness in connection with the affairs of government.

They also showed that in many respects the affairs of the country were being run by senior civil servants and

that the members of the Labour cabinet only gave their consent to proposals brought to them. I am not going to deal with that matter because I hope it will come up in subsequent debates, but I point it out to indicate to this House that, hopefully, this fall we may have an opportunity to discuss the extent to which material within the possession of a government should be kept secret or should be made public. If the House, as I hope it will, comes to the right decision, then we will find that it will not be necessary for people like Mr. Stewart, who obviously felt he was fulfilling a public obligation by making known these facts, to be faced with the very difficult decision which he had to make in this regard.

The Acting Speaker (Mr. Penner): Is the President of the Privy Council (Mr. Sharp) seeking the floor in this debate?

Mr. Sharp: Mr. Speaker, I am not quite sure of my rights. I do not know whether I have the opportunity of speaking. I think it can only be done with general consent.

The Acting Speaker (Mr. Penner): The minister is seeking consent to speak at third reading. Is that agreed?

Some hon. Members: Agreed.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I would like to begin by commending the work of the joint committee which considered this bill and which originally made the recommendations upon which it is based. Several hon. members have commended the work of that committee. I had the privilege of appearing before it as a witness, and there I found a spirit of co-operation which I wish prevailed more generally in this House. It has done a commendable piece of work. I hope the committee will continue its work and that in due course we will have a report on the more substantive matters which are before it.

It seems to me that most of the debate on third reading has been a little irrelevant to the bill itself. However, let me make some brief comments on the speeches made by the hon. member for Oshawa-Whitby (Mr. Broadbent) and by the hon. member for Peace River (Mr. Baldwin). If I may begin with my friend the Conservative House leader, he and I have had many discussions about the question of secrecy in government. I do not quite know how it got into this debate, but here it is. I speak now not only as a minister and a member of parliament but as a former civil servant who saw the problem from the other side.

Some hon. members may recall that I was the centre of a controversy about the publication of a government document of which I happened to be the signatory, namely, the famous hidden report which the right hon. member for Prince Albert (Mr. Diefenbaker) brandished about the country in the general election of 1958.

Mr. Baldwin: That is what got you into politics.

Mr. Sharp: At one time I said that the right hon. member for Prince Albert turned me into a national figure without any effort on my part whatsoever. It seems to me that when we get into this area of the relationship among civil servants, the government and the public, we are into an area which has to be handled with infinite care. There may have been occasions when I was a senior civil servant working for both Liberal and Conservative administrations when I might have been very critical. However, I did not think I had any right to engage in political controversy by criticizing the government of the day. I believe this is the only valid principle. The hon. member for Oshawa-Whitby seems to question this principle. I have looked at the article signed by Mr. Stewart and I think one would have to take a rather charitable view of what he said to say that he was not making political comments. I know that is a very difficult line to have to draw, but I suggest it would be better if the line were drawn on the side of avoiding political controversy.

I would draw to the attention of the House what the Prime Minister (Mr. Trudeau) said on July 16, at page 7619 of *Hansard*:

> But in so far as political statements or criticisms of government policy are concerned, we object to that, and if that was the situation, I approve of the action taken by the minister.

The Prime Minister was making a distinction between criticism which was in pursuit of the interests of the employees of the government, their working conditions, their wages and all the other things about which they might bargain, but I suggest to my hon. friend from Oshawa-Whitby that Mr. Stewart seemed to me to have overstepped this line.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

* * *

● (1640)

EXCISE TAX ACT

The House resumed, from Friday, July 18, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in supporting our amendment that this bill be not now read the second time, I am pleased to do so to emphasize that there are many good reasons for making this very reasonable suggestion. The measures contained in Bill C-66 are, for the most part, poorly advised. They are not going to do the job and have the economic results that the minister anticipated. For the most part, I fail to see the urgency that the government has particularly emphasized lately, because it may very well be that section 17 of the Financial Administration Act would make the part of the legislation relating to the rebate provision irrelevant. The relevant section reads:

The governor in council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty.

It may be argued that this only applies to taxes which are in place but I suggest, with deference, that if there is no tax legislation in place, then there is a very good argument to be made that you do not need a bill to authorize the rebate in these circumstances either. Even though the measures contained in Bill C-66 result from the budget, they ought not to be proceeded with too quickly—particularly the ten-cent tax on gasoline—until proper administrative procedures for processing the tax are put in place.

It would have been preferable if the minister had made arrangements—even if there had to be lengthy discussions beforehand to make this more practicable—to withhold the imposition of this tax until parliament had given its sanction. I realize there are some difficulties in this suggestion, but it worries me, as a member, to see another situation where the people of Canada are faced with a very regressive tax being collected without the legislative sanction of the House of Commons. I think this is a very poor precedent. If the principle were extended to the point where the omnibus bill which the Minister of Justice (Mr. Lang) intends to bring in with regard to criminal law were to be enforced now, and we were asked as members to approve it later, there would be a great outcry in the country. I think you can draw a fair analogy between what the Parliament of Canada is being asked to do here and what could be the case in the future if this sort of thing were allowed to continue.

I should like to say a few things with reference to the proposed increase in the air transportation tax and come back to the famous, or infamous ten-cent tax in a few moments. The proposed increase in the air transportation tax is another regressive and counterproductive move. No less a person than the president of the Air Transport Association of Canada recently had this to say:

Members of our association, travel agents and charters are concerned about the application of the increased rate for air transportation tax effective August 1 if it will require adjustment and collections from travellers who have bought air transportation before the first of August.

Here is another unfortunate complication from proceeding in this precipitous way. He continued:

Such adjustments and collections at airports at time of departure during the heavy travel season would be irritating, disruptive and lead to serious criticism of the agents, carriers and government.

The minister proposed to raise the air transportation tax limits substantially from the levels imposed by the existing legislation, that is clear. I understand this increase is designed to generate another $16 million of revenue in this fiscal year, added to a ticket tax revenue take of $53 million, so that this would amount to a total annual revenue of approximately $69 million.

Far better for the government, in the name of restraint, to have cut back on some of the gigantic sums which have been appropriated for airport expansion, such as Pickering, which the majority of the people affected do not want, and Mirabel which does not, as yet, have the proper supporting infrastructure. It therefore could very easily have some of its budgetary appropriations deferred until such time as the lack of adequate road infrastructure is overcome, particularly since knowledgeable people are well aware that the airport at Dorval has not yet been used to its full potential. The lack of adequate road infrastructure is nothing short of a catastrophe. Quebec has been delaying the road service due to a siphoning of funds to buttress the Olympics. Ottawa did a poor job of future planning and should have anticipated what was likely to happen.

[Mr. MacKay.]

Weekend flights will be the biggest problem, since the Autoroute will be congested with people heading north from Montreal to the Laurentians in the summer for holidays and in the winter for skiing. The trip from Montreal to Mirabel is expected to take two hours, and certainly passengers will have to leave earlier to catch a flight to Mirabel as compared to Dorval under present circumstances.

The Air Transport Association of Canada makes the point that the latest increase appears to further discriminate against those who prefer to travel by air, since similar taxes were not imposed on people using other forms of transportation. It has already been pointed out to the Minister of Transport by knowledgeable people in the Air Transport Association of Canada that people living in cities or towns some distance from the point where charter flights begin sometimes find themselves paying a second airport tax because they have to pay the tax on the connecting flight to the charter flight, as well as another tax on the charter flight.

Certainly, the tax should also apply to foreign travellers using Canadian airports, which is not the case at the moment since the tax applies only to people boarding flights originating in Canada. The whole concept, as usual, has been poorly thought-out. It would do no harm if it and the tax increase were to be delayed until some further thought could be given to the entire matter.

Coming back to the ten-cent gasoline tax, it is particularly damaging to people in my constituency who have to travel long distances to search for and to find employment. It is wrong in still another way for provinces such as Nova Scotia and Prince Edward Island which are isolated geographically and in the sense of energy availability. This ten-cent tax, coming upon the $1.50 per barrel increase, imposes what amounts to an unnatural cost and burden on those provinces compared to Ontario, where about 50 per cent of the energy requirements are available from hydro. Prince Edward Island, for example, has to rely on energy obtained from petroleum products for nearly 100 per cent, of its energy requirements at the present time.

Mr. Speaker, I think the minister did something that was even more regressive than he intended by imposing the ten-cent tax. He has done an extraordinary thing; he has brought in a two-price system based not on geography but on class distinction. I say this because whether one pays the tax or not will depend upon who one is. If a person can bring himself within an exclusion by pleading his profession or other circumstances, such as business requirements, then he is able to escape. For the most part, those able to escape will be those who can afford to pay the tax, and those who are least able to afford it will have to pay. That in itself is an excellent reason for the minister to take another look at this.

In the measures arising out of the budget, the Minister of Finance was required to make some hard choices. He was restricted in his options because of the economic climate—not the meteorological one upon which he was inclined to call at times—which he and this government helped to create by policies in previous budgets and the implementation of measures in past years. In many respects I feel sympathetic toward the minister, but my sympathy is tempered by recollections of his past behaviour. If the Leader of the Opposition (Mr. Stanfield) was too honest and direct for the advancement of his own political cause in telling Canadians the truth a year ago, and offering a realistic assessment of the consequences of unrestrained and undisciplined economic behaviour, the same cannot be said about the conduct of the Minister of Finance and the Prime Minister (Mr. Trudeau).

● (1650)

Can you imagine a measure like this being brought in by the government before the last election? I suggest that no one in his right mind would even consider the possibility. To the credit of the Leader of the Opposition, if he felt that a measure like this was necessary, without doubt he would bring it in at anytime, but he would never bring in an ill-advised measure like this. The Leader of the Opposition offered Canadians the alternative of economic medicine which might have been bitter for a while, as most medicines are. The Minister of Finance and the Prime Minister preferred to offer Canadians champagne and optimism, assuring Canadians just over one year ago that all was well with the economy and the nation and that the Tories were preaching gloom and doom without just cause.

The government made promises, many promises: a glowing new transportation policy was to be implemented immediately; there was to be an end to regional wage disparities. Liberal candidates in the Atlantic provinces emphasized this particular election promise and said they were behind it. We now see its results! Frankly, I do not have time in the brief time allocated to me to list all the promises made. Now, after the champagne days of last summer, after the broken promises, comes the inevitable letdown and hangover. No one deserves it more than the Minister of Finance.

Mr. Guay (St. Boniface): The minister brought in good policies.

Mr. MacKay: No one will bear the brunt of it, as the hon. member for St. Boniface (Mr. Guay) knows, more than the Minister of Finance. The glory days of the Minister of Finance are over and if he is not careful he may fit the description which the immortal Winston Churchill used when referring to Lord Roseberry several decades ago. Sir Winston described him as having outlived his future by ten years and his past by more than 20.

Time passes quickly and these tax measures may mark the beginning of the end of the Minister of Finance's adroit ability to avoid well deserved political flack. Henceforth, he and the government will be in a great deal of trouble. No one has earned this trouble more than the government. True, the budget did pay lip service to restraint, which is good; it also made the gesture of helping people holding Canadian government annuities. That was a humanitarian move, as those people had been most unfairly affected by the government's policies which incurred unrestrained inflation.

With the exception of a few tangible measures like the ones just mentioned, the budget is not innovative nor imaginative. Measures like this one fail to recognize that the different regions of this country are constantly encountering different economic difficulties. A policy that is good for one part of the country, as has been said many times, may be the very worst policy for another. In one region unemployment and stagnation may be the major problem, but in another the economy may be booming and inflation may be the biggest problem. Although economic theory dictates different solutions for each different problem, our political and financial system is such—this has been true no matter what government has been in power—that only one national fiscal policy is arrived at. It is imposed on the nation as a whole, despite our great differences and regional anomalies.

Politics dictates, apparently, that fiscal policy should be aimed at solving the problems of the most heavily populated and financially important regions, which means central Canada. As I said at the outset, this particular tax will make its greatest impact felt on those regions of the country which can least afford to pay it, and on those individuals who can least afford it. The other regions of the country are left to get along as well as possible with a fiscal policy which may not suit their economic situation.

I therefore expected the Minister of Finance and the Minister of Regional Economic Expansion (Mr. Jamieson) at least to pay lip service to the idea of a flexible fiscal policy. Why not develop a flexible policy which will take into account the regional differences in our country? More specifically, Mr. Speaker, at this moment why could the government not introduce a regional fiscal policy which could make a special effort to stimulate the economy of the maritimes by providing money at low interest to small businesses?

The usual criticisms of such suggested policies are well known. Those who criticize say that capital investment will go to the area where the best return on the money lent can be obtained, that is, it will go to where interest rates are highest. Thus, if interest rates are higher in central Canada but lower in the other regions, the banks will do most of their business in the high interest area. This activity will lead to the opposite of what one would wish to achieve by having different interest rates in different areas.

The government has never been reluctant to interfere with and modify the unrestrained policies of private enterprise. This is not necessarily bad. For the sake of argument, why not make it mandatory for the large financial institutions to lend a certain amount of money at low interest to small businesses in depressed regions? True, this would tamper to some extent with the freedom of our banking system, but the government has willingly tampered with the system in the past. Why not experiment in this regard? Even if interest rates must be subsidized to a certain extent, it would be worth while seeing how such an experimental program works. Depressed regions could well be more quickly developed if we used this method. The program would alleviate, if successful, the constant

drain of taxpayers' money going to the depressed regions. This money which is channelled into the areas through DREE, UIC, cost-sharing programs, etc., might not be needed to such an extent if this program were introduced and great savings could be effected in the long run.

As for needing to maintain high interest rates in Canada because world interest rates are high and Canada having to offer a good return to attract sufficient investment to counter our trade deficit, is there not some way of adopting a two-price system of interest rates, one for the domestic Canadian market and another for outside financiers from whom we try to borrow?

Although the Minister of Regional Economic Expansion said before the budget was brought down that he would provide direct input into the budget and put forward recommendations concerning DREE, which has an important role to play in this country, the budget did not deal with DREE. Neither in the budget nor in Bill C-66 is there evidence to show that the minister tried to do anything to counter the impact which the government's unfair measures will have on those regions of the country for which he is responsible. It was disappointing to see that DREE was not given higher priority. We should be thankful for small mercies. No DREE programs were cut back and for this we give the government credit.

I expected the Minister of Regional Economic Expansion to say something innovative and different when he spoke in the recent budget debate. His speech disappointed me, not because he did not speak well—he always does—and not because it was not entertaining.

Mr. Guay (St. Boniface): It made sense.

Mr. MacKay: It was a defensive speech. There are ministers on the treasury benches, as the member for St. Boniface no doubt realizes, who are simply incapable of formulating good policy. The Minister of Regional Economic Expansion is not one of those. If he were allowed to give his talents full rein, I am sure he would produce better policies than some of his colleagues are producing. Being concerned about what might happen to my province, I asked the minister the following question on June 11, as recorded on page 6649 of *Hansard*

> Because of continuing high unemployment and other economic difficulties, particularly in the Atlantic region, can the minister say whether any specific arrangements will be incorporated into the budget on his recommendations specifically designed to assist DREE to cope better with economic disparities. I am thinking of some measures to single out regions covered by his department for new initiatives in terms of economic assistance to cope with the real difficulties that we have not been able to eradicate. Will the minister be making a statement on this?

The minister declined to make a statement, but said:

> —I am sure the hon. member appreciates that while it is true I will be making recommendations and suggestions with regard to certain budgetary matters, the outcome will only be known on budget night.

The folly of this proposed tax must be apparent to all. Obviously, the minister, despite his well-meaning effort to influence his less sensitive colleagues, was not able to do anything to help the depressed areas of Canada improve the significantly poorer position they will find themselves in as a result of the passage of bills like Bill C-66.

• (1700)

I am sure that in the province represented by the hon. member for St. Boniface there are areas where people are drawing unemployment insurance and there are sometimes cases which come to his attention where the person involved is expected to drive a long distance in order to obtain employment.

Mr. Guay (St. Boniface): Not in my constituency.

Mr. MacKay: Well, if that is not the case with the hon. member for St. Boniface, I want to tell him and the House it is a very common occurrence in my constituency in Nova Scotia, particularly in the area known as the eastern shore where there are very few opportunities for employment. It becomes a case of real economic difficulty and puzzlement in deciding whether a person applying for unemployment insurance has made enough of an effort over a wide enough area, even keeping in mind the limited opportunities available for employment.

When a person is expected to drive 50 or 60 miles from the eastern shore of Nova Scotia to the Halifax-Dartmouth area, or to Truro or New Glasgow where there is a greater population and where there are greater and more varied opportunities for employment, it is a very dicey situation. Does it pay to drive 40 or 50 miles? If such a person has to drive this distance—and it is quite common that they do—the hon. member can appreciate the dilemma in which such a person finds himself. If he has to pay an extra ten cents a gallon, with a very marginal job and no hope whatsoever of any rebate, this inflicts a very real hardship. The government and the Minister of Finance should be aware of this. They ought to take measures that will somehow alleviate this problem.

Even in an energy short era, I fail to see how this tax will promote conservation. Frankly, in most cases there is no alternative to the car for people to get to work. If the only purpose of this tax is to generate revenue, rather than to conserve, I say that it is a very regressive measure and ought not to be proceeded with. If the revenue derived from this tax were to be specifically channelled into the development of coal in Nova Scotia, for example, which would provide an alternate energy source, or some sort of public transportation system to help those who have to travel long distances, there would be a little more sympathy for it; but it does not do anything in this regard.

I do not know on how great an authority it is, but from some publications I have been reading lately I am led to believe there is a good possibility that in the years to come our uranium reserves may be depleted to the point where Canada will be faced with a situation with regard to uranium such as the one we now face with our petroleum. The Minister of Energy, Mines and Resources (Mr. Macdonald) has assured us that this is not the case. He said that he will be looking into this matter and will take whatever additional measures are necessary to protect the long-term interests of this country. I certainly hope that is the case. It would be ironic if in 20 years, as an official of the Ontario Energy Research Board has stated, Canada were in the position with respect to our uranium reserves that we are now in with regard to petroleum.

I hope the government will take a sober second look at what it is doing. It does not seem right that the people of this country should be subjected to a tax which is obviously inflationary.

Some hon. Members: Hear, hear!

Mr. MacKay: As I say, I remain to be convinced that this measure has any merit to encourage conservation. The hon. member for Hamilton West (Mr. Alexander) is a conservationist. He knows very well that this tax will not do anything productive.

Mr. Alexander: You are right.

Mr. MacKay: It will only exarcerbate the differences between those Canadians able to afford the good life and those who cannot afford to live well. If there is one thing the average person in this automobile-oriented society will do, it will be to hang on to and drive his automobile even to the point, in some cases, of skimping on food for his family. Members opposite know that is the case, particularly where there is no alternate means of transportation. I ask the Minister of Finance (Mr. Turner) seriously to consider the consequences of going ahead with this bill in its present form, particularly when the government is so poorly organized to administer the effects of the tax.

It is significant that no cabinet ministers have risen to support the Minister of Finance on this. I am waiting to hear the Minister of National Revenue (Mr. Basford) state the clear and unequivocal tax policy that will be put into effect with regard to the rebate. I await with interest to hear what the minister's other colleagues have to say. I hope that by their silence they have not committed themselves to going ahead with this measure in its present form. After all, the PLO decision was put off, so this government can change its mind!

Mr. Guay (St. Boniface): Mr. Speaker, would the hon. member allow a question?

Mr. Deputy Speaker: That can only be done with the permission of the hon. member. Does the hon. member agree?

Mr. MacKay: Yes, Mr. Speaker.

Mr. Guay (St. Boniface): Mr. Speaker, has the hon. member discussed the program he is speaking of with the Minister of Regional Economic Expansion (Mr. Jamieson)? Has he done any research with regard to the benefits his province has received through the DREE program? I understand from what he has said that he does not know the benefits his province received through that particular minister and program.

Mr. MacKay: Mr. Speaker, I am very pleased to answer the hon. member for St. Boniface by saying that the Minister of Regional Economic Expansion and I have had many discussions about the economic problems that face not only Nova Scotia but the other provinces. I am well aware of the substantial sums which this government has diverted into this part of Canada. However, in relative terms, I remind the hon. member that all the money that has been diverted into Atlantic Canada for regional economic expansion in terms of incentive grants is substantially less than the proposed costs of either of the monster airports at Pickering or Mirabel.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—Minister's estimate of rate of growth this year; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Manpower—Opportunities for Youth and student summer employment programs—Request for expansion; the hon. member for York Centre (Mr. Kaplan)—External Affairs—Government position on attempt to expel Israel from United Nations.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to open by saying that I am very much in agreement with a great deal of what has been said by the hon. member for Central Nova (Mr. MacKay). I understand that his part of the country, along with other parts, has special difficulties. I want to assure him that this particular bill strikes a grievous blow at many people in the central provinces as well. I refer particularly to constituencies such as my own of Greenwood. I will discuss that in a little more detail later.

● (1710)

I should like to make it clear from the beginning that I do not intend to take up the full 40 minutes allotted to me. I am strongly of the opinion that except in special cases, that is too much time. I think we make much better speeches when we are confined to 20 minutes. This being my view, I should like to be consistent with it and try to keep my own speech short; I do not always succeed, but I hope I shall on this occasion.

In my previous incarnation I was connected with the legal profession, and had I been called upon to give judgment on Bill C-66 I would have dealt with it very quickly;

I would have been content to say I concurred with my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent) and others who have spoken, especially the hon. member for Sault Ste. Marie (Mr. Symes), and that I had nothing to add. However, I am not speaking in a judicial capacity; I am here as a representative of my constituents. I say that this tax has dealt a grievous blow to them, and I believe I owe it to the people I represent to express the strongly held views they hold on this legislation.

To put the matter in a nutshell or, possibly, in one or two nutshells, this tax is, in my view, inflationary, regressive and unjust. I do not intend to expand on the inflationary and regressive aspects since something which is inflationary and regressive is inherently unjust. The reason it is unjust is simple: it imposes a burden on those least able to bear it, factory and office workers for whom a car is a necessity, not a luxury, because they have to travel to work. It is these people who will bear the major burden of the tax, not the well-to-do, not those who use cars for pleasure or as a luxury.

There are many thousands in the riding of Greenwood who use their cars to get to work. We have heard from people in other parts of the country about this problem, and it exists in my area. In a large urban area such as I represent, a great many people do not work near where they live. It is by no means uncommon for people to travel 25 miles to work and back again, sometimes more, sometimes less; I think 25 miles would be a reasonable average. This is the group which has to bear the main burden of the new tax.

The action of the government in this regard illustrates as well as anything could the difference between the Liberal Party and the New Democratic Party. The tax system favoured by the Liberals is tilted in favour of the rich. The philosophy of the NDP, on the other hand, is egalitarian. We believe in taxes such as steeply graded income taxes which seek to create a more just society by equalizing incomes.

During the course of the present debate, one of the members who supports the government, the hon. member for Scarborough West (Mr. Martin), said it was better to impose the tax on the people who consume the product rather than have it paid by way of general taxation which, however imperfectly, is so set up at the present time that heavier burdens are placed on the well-to-do. It is precisely this which distinguishes our party from that of the government on this matter. He said the middle income groups would prefer this way of doing things, rather than in the form of income tax which, he added, falls particularly heavily on middle income groups.

I do not think the income tax bears so terribly hard on those groups, but it certainly does not bear with undue harshness on the affluent. It is all very well to talk as the Liberal Party does from time to time about the just society, but unless the taxation system is directed to creating the just society by bringing about a more equal share of the national income, the phrase "just society" becomes an example of nothing more than election-time rhetoric.

The bill we are debating is another example of the direction the government's policies are taking. It is designed to bolster up an acquisitive society with all its inequities. There is another area in which the measure would fall hardest on those with modest means. The hon. member for Sault Ste. Marie has explained how at certain levels of society the automobile is used extensively for vacation travel. The advent of this tax will force many people to revise their summer vacation travel plans. This, of course, will hit hard those who depend on tourism for their income. But there is another group which will be affected. There is one reform which has come about in the lifestyle of Canadians during my lifetime and during my active interest in politics which I most heartily support. It is the tremendous growth of vacations with pay.

[Mr. Brewin.]

In the thirties, when I first took an active interest in politics, visiting the beautiful lakes and rivers with which Canada is so richly endowed was the privilege of the affluent few. Very few industrial workers got a vacation unless, of course, they had one forced upon them by prolonged unemployment. Fortunately, collective bargaining and legislation together have changed all this, and today many workers have been able to acquire or rent summer cottages where they can spend weekends or vacations using, in most cases, their own cars for transport.

I am afraid this bill will make it harder for these people to afford a healthy and enjoyable experience which in my view is the birthright of all Canadians, especially of industrial workers and their families, that of getting out of the cities into the open where they can benefit their health and sustain their spirits by recreation.

The Minister of Finance (Mr. Turner) has expressed the hope that the excise tax, combined with the expected increase in the price of a barrel of oil, will encourage motorists to save gasoline. In other words, the conservation of gasoline, a highly desirable objective, is called in aid in an effort to justify this tax. But where is the evidence that the effect of the legislation will be to save gasoline? If saving gas is the objective, there are many, far better ways in which it could be accomplished. One would be to negotiate with the provinces to bring about a reduction of the speed limit. Incidentally, this might save a few lives as well. If the government were concerned about the conservation of gasoline, it would move in the field of extending public transit systems which today are only a supplement, not an alternative, to travel by car.

Above all, if the government were to carry out the promises made in the last election, it would transform this situation. Let me put on the record some of the things that were promised in the last election campaign. On June 17, 1974, the Prime Minister (Mr. Trudeau) announced in Toronto a $270 million program to aid public transit. He said:

● (1720)

A liberal government would pay 100 per cent of the cost of Canadian-made commuter vehicles and 50 per cent of the cost of platforms and stations. The government would also pay 25 per cent of the cost of Canadian-manufactured vehicles for public transit within cities. Encouragement and assistance would be given to smaller municipalities in the creation of new transit systems, Canadian industry would be encouraged to develop passenger vehicles, and experimentation with new transit systems would be assisted by federal financing of demonstration projects.

On the next day, June 18, while in Cornwall, the Prime Minister said:

—a Liberal government would take responsibility for rail passenger service out of the hands of Canadian National and Canadian Pacific railways and entrust the task to a new Crown corporation. The corporation would run high-speed rail services in heavily populated areas such as Windsor-Quebec City corridor, introduce luxurious transcontinental excursion trains and establish a "super-bus" service between medium sized cities.

Incidentally, while I am reciting the promises that were made, may I point out that the Liberals also promised to set up a national urban transportation development corporation to promote improvements and develop policy on urban transportation. This was mentioned in the 1973-74 annual report of the Ministry of State for Urban Affairs. But on May 1, 1975, the Minister of Transport (Mr. Marchand) admitted that the corporation had not yet been set up. All this talk during the election campaign has turned out to be mere promises designed for election purposes. But its relevancy to this discussion is very real, because if these promises were implemented it would take the pressure off the necessity of travelling by automobile and would in fact conserve gasoline.

The government's actions speak louder than its words. We have already had a reference in the House this afternoon to the Pickering airport. If it were constructed, it would serve roughly 10 per cent of the public, a small section. If it were constructed, it would gobble up high-class agricultural land. If it were constructed, it would multiply the transportation problems of urban areas such as my own riding. No one really wants this new airport. There has never been any demonstrated need for it. Public opinions polls have been taken in the area affected and have shown fairly substantial majorities against it. I do not know which members the government has consulted, but whenever it consulted me I made it very clear that the people of Greenwood do not want the Pickering airport.

If the proposed airport were built as a single runway, minimum airport, it would divert fewer than 10 per cent of aircraft operations from Malton by 1980—and this was supposed to be the purpose of the new airport. It appears that plans have been silently switched again and we are now back to a large Pickering airport. Only the refusal of the Ontario government to provide the highways and infrastructure has caused the government to halt its obstinate course.

Let the government take this ill-conceived scheme and drop it in the lake. Let it use the money to carry out its promise of a rapid transit development system within and between cities. Although the Minister of Finance is not here this afternoon—he usually is, but I assume he will read the debate—I suggest that his budget and taxation policy be used to implement, not to disregard, the promises made in the election campaign which are beneficial to the people.

Can anyone wonder at the apathy and cynicism with which much of our political system is regarded by the public? In my view, this is a bad bill, and in saying that I feel I am expressing the feelings of the vast majority of my constituents. I condemn this particular bill and I make it clear that I, for one—and, indeed, I think all members of my party—will vote against it.

● (1730)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, in rising on Bill C-66 and the amendment of the Leader of the Opposition (Mr. Stanfield), I have definitely no intention of extending this debate which, in my opinion, has been dragging on for quite enough time. In fact, you know about that from what we did during the week-end. We kept hoping it would be over, but as there seems to be no end to that debate, everyone has to say his word, and I realize government members are doing everything they can to restrict that debate, but I am afraid, Mr. Speaker, we are heading for a marathon type debate on that bill which will make a complete mess of the well deserved vacation of all members.

Considering the number of members who want to speak and who will, it is obvious that Progressive Conservative members definitely want to drag this session throughout summer.

I have once again to criticize the government, because it is always the same thing, the same tactics. They always take advantage of the fact that the session is coming to an end, or that a vacation is getting nearer to introduce controversial bills like this one. Of course, this bill is a logical consequence of the last budget of the Minister of Finance (Mr. Turner), a budget which we actually turn down.

After wasting so much time in this House with empty speeches throughout the winter months, as soon as the few sunny days of summer are back, the government forces us to do everything in double quick time if we are to get some vacation. Mr. Speaker, it is childish, ridiculous and unfair, not only to members of parliament, but also to their families who are waiting for them to come back and spend a few days in the sun. Let us not forget that in autumn and during the long winter months, once again, we shall have plenty of time to make speeches and talk to the Chair. I therefore urge Progressive Conservative members, even though they are like us convinced that that tax is unfair, to have some pity for all those children who are waiting for us to be back for a few weeks. If this debate was to have a positive outcome, I would be the first one to stay here all summer, but as we all know, the government has an absolute majority, and everything will end up in a vote which will once again ratify the government's proposals. This government was elected by the people, and this is a democracy!

An hon. Member: Hear, hear!

Mr. Gauthier (Roberval): We are of course opposed to Bill C-66 which levies a 10 cent excise tax on every gallon of gas used for private purposes. For the information of the public, I must say that this tax does not result from the increase in oil prices. I do not know whether the mass media or the government itself led the people to believe that this 10 cent markup was due to the increase in oil prices, because this was the general impression among the people. I spent the whole weekend trying to explain that it was not as a result of the increase in oil prices. They will experience the result in a few weeks, but this is an excise tax, a 10 cent tax per gallon of gas.

Mr. Speaker, actually the increase in oil prices has nothing to do with the 10 cent tax per gallon. This bill stems from a tax, once again, an excise tax of 10 cents a gallon on gas that could have been imposed on any other produce, for that matter. So, I feel it is most unfortunate that gas should have been singled out to collect budgetary funds after the spiralling increase faced by the people in recent weeks. Why, for example, has the tax on wines not been maintained? They went as far as removing the tax on wines; why did they not tax alcohol, tobacco even more? Let us levy if necessary a tax on luxury items but let us stop taking from those who are in immediate need of a commodity, gas for example, those who must use it to go to work.

Our opposition is still stronger as far as selective and protectionist exemptions in the bill are concerned. Going through these exemptions by the present government, it is apparent that the burden is put on the lower income group to pay for the government's wasteful spending. It has always been my view that the first criterion of a national legislation is universality. If this tax is to close the gap between compensation payments and export tax revenues, this should be another reason for the legislation to be universal, for everyone to pay. A selective measure like this one is always discriminatory, because it once again burdens the workers, who should be the first to be exempted if we are to have exemptions.

I read the bill a number of times to try and find out why the minister introduced such a legislation. What was his purpose? I found some kind of an answer in one of his statements, that the bill will help stimulate—and nothing less—the use of public transit. Such a statement is the end of it. Since I was first elected here we have been fighting for improved passenger transportation, and even now we are fighting to maintain what is left of the remnants of CNR services, and lo and behold! The government says it intends to reorganize and encourage public transportation. That is the best one I have heard so far in this session.

What improvements does the government propose? Will it finally convince CNR's technocrats to stress service before profitability? In those rarefied spheres, they strive for profitability but we say that in public transportation, service should be the first priority. So today, they are proving us right because they wish to promote service. Let them give adequate passenger services, good public transportation, and then let the 10 cent tax stimulate workers to use such public transportation, but there must be public transportation in the first place.

As things now stand the 10 cents per gallon tax is directly affecting workers. In large centres, with measures proposed by the minister to reorganize bus services or public transit, it is going to be easy or at least easier than in our rural areas. I feel sure that if they want to, the ministry can provide adequate service to people in large centres. According to his estimate, this policy will save a good deal of energy and in this manner travels will be restricted or, in cities, the use of private automobiles for workers driving to work will be restricted.

As far as cities are concerned, the idea may be of some value, but in the country it will not work as, at the moment, there is no public transportation system. The man who leaves his community to go to work in the next town absolutely needs a car, which is his main working tool and now it is on this very tool that a tax is imposed while all others are exempted.

[Mr. Gauthier (Roberval).]

In the bill, as far as exemptions are concerned, those who could afford to pay are exempted. Here are a few examples, I quote:

(a) Her Majesty in right of Canada or a province or any agent of Her Majesty in right of Canada or a province,

(b) a person for commercial or business purposes—

This means that all industrialists and businessmen will be able to get a rebate. Yet, there has also been mention of farmers and fishermen, which is quite acceptable. However, there is another matter to be resolved: How will the rebate be made?

Mr. Speaker, thousands of inspectors go around and search the houses of our farmers since this famous tax has been invented. This often gives heart attacks to the farmers. We shall have to distinguish between gasoline used for farming and gasoline used for pleasure. I do not know what regulations will be invented, but I know that it will take an army of inspectors to check on each farmer and to check each bill to determine if it was really used for the purpose indicated. The same will apply to businessmen and those who will benefit from thee rebate.

In my opinion, in addition to being unfair to the small wage earner, this bill discriminates even against the farmers and the fishermen. It will provide an excellent opportunity to create new protected jobs since these taxes, that will be just sufficient to pay all the inspectors and the inspections costs, will have to be collected. I am certain that the money collected will be just sufficient to pay all these people and to get all other small wage earners fed up. This is another measure that is aimed at providing jobs for people in the party. It is favouritism aimed at bleeding those who go for a drive with ten gallons of gas in their car instead of their truck or tractor without reporting it. If the inspector finds out, the farmer will pay a fine, and I imagine that the investigations will multiply. Mr. Speaker, we all know what can happen when there are investigations.

The bill will be passed and this is why we have to talk as though it already had been passed. I would like to ask the minister, who had to leave the House, or his representative—he can read *Hansard*—the Minister of National Revenue, who said the other day to the press, and I quote:

Not a gift. The Minister of Revenue pointed out, yesterday, that the reimbursement of the 10-cent excise tax on each gallon of gas to users of vehicles to business or commercial ends will be taxable—

● (1740)

Notice that: they take with one hand and grab with the other.

—will be taxable, contrary to what the Minister of Revenue, Mr. Ron Basford, indicated earlier in the week.

Indeed, on Monday, Mr. Basford stated that the tax announced in the June 23 federal budget would not be subject to tax.

It will be taxable. Imagine! After telling the farmers, "You will be exempt; give us your receipts and we will reimburse you the 10 cents a gallon." Right after, one hour later, they are told they will be taxed. What a joke! It is as a result of problems such as those that farmers, fishermen, those who are supposedly going to be exempted, are in fact

going to be fooled; once again, they will say: The act seemed to do all right by us, but again it will mean nothing. Once again, it is meaningless.

That is the only kind of bills we study in depth, and then pass here. The big shots are protected, those who could afford to pay the tax. That is why I say we would be better off levying a luxury tax on alcoholic beverages. Those who can afford to drink, let them be taxed: I could not care less. I don't mind alcohol or tobacco being taxed three times more than now. For my part, I do not smoke. That does not make any difference. That would be favourable to the health of our general population.

But they are taxing a sector essential to our family heads, to our workers, and we are going to accept that straight away, Mr. Speaker. It is impossible. A little further, the minister told us that the bill would contribute, they claim the purpose of this bill is to remedy the recession and fight inflation. Just another reason the minister gave us. That ghost of inflation behind which the minister hides is a myth which the population is now used to.

When he wants to be serious, the minister knows perfectly that any new tax causes an increase in the cost of living, thus kindling inflation. Let's stop considering our fellow citizens as stupid, because they suffer in silence all government extravagancies. I hope only one thing: that the awakening of the population be not so violent as to send our parliamentary institution over board, because of the lack of seriousness or, even worse, the lack of responsibility of the present government.

I will conclude by saying that all we can say will certainly not change anything to the situation, but at least people will know we have fought fearlessly against such action. We will vote for the amendment of the opposition, to postpone for six months the discussion of the bill, and we will vote against Bill C-66.

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I was listening with interest to the debate last Wednesday when the hon. member for Waterloo-Cambridge (Mr. Saltsman) said there was nothing good in the budget. Having been caught once remarking that there was something good in one of the minister's budgets and being quoted thereafter, he said this time that there was absolutely nothing of any use in this budget. On that point I almost agree with him but, after a great deal of examination, I did find something useful in it.

Mr. Alexander: On what page?

Mr. McKinnon: On page 28 of the budget speech when the minister said:

> Mr. Speaker, I am pleased to announce that the government will be introducing legislation to increase the rate of return on existing Government of Canada annuities,

This is a piece of legislation to which we are looking forward, and I wish it were in front of us instead of the present bill. It would move a lot faster, believe me. That is the last kind word I have to say about the budget.

An hon. Member: The minister does not say what percentage increase it will be.

Mr. McKinnon: This is something about which the elderly citizens in my constituency are left in doubt. I do not see why the minister could not announce what the percentage increase of these annuities will be. I suggest that he could increase them 100 per cent and make a good case for it. I believe the payments are computed on a 4 per cent annual interest rate, but I think that 8 per cent would be a reasonable return in these days of expensive money and inflation, caused by this government. I would think that anything less than a 100 per cent increase in the annuity payments would not be satisfactory.

However, now that I have covered the good point in the budget I would like to make another brief comment about it. At first I thought it was a good point that the minister appeared to have spared us his usual sneaky little trick of dropping taxpayers from the tax roll. I have sat in the House through about three budgets and I have read several more which were brought down before I came here, going back to the Benson budgets when the Liberal minister of finance one year claimed to have dropped one million taxpayers off the tax rolls, and the next year 800,000. One year 400,000 were dropped, and the next year 500,000. Do you know, Mr. Speaker, that of those millions of people I have never met one?

At the start of the speech the minister would announce the raising of exemptions and he would say that they dropped off so many taxpayers, and then later in the speech he would announce the raising of the income tax. So these are a kind of recycled taxpayers. This time the minister has done it differently. He claims to have cut the budget by $1 billion. So this year he is recycling billions of dollars instead of taxpayers. I suppose that this might be considered an improvement.

At page 14 of the budget speech the minister stated:

> The government has therefore decided upon a wide ranging set of measures, covering our statutory as well as our non-statutory programs, budgetary as well as non-budgetary spending, our salary as well as our hiring policies. All are directed to bringing outlays under more effective control and to slowing down their rate of growth this year and into the future. Our target of cuts this fiscal year is $1 billion.

That sounds great until you look a little farther along at the tables on page 40 where you see the title "Government of Canada Revenues and Expenditures on a National Accounts Basis". Under the year 1974-75, preliminary actual, total expenditures, you find $30,678,000,000. In the next column under the year 1975-76, forecast, you find $35,845,000,000. So the minister has stopped dropping people off the tax rolls and increasing the number somewhere else, and has chopped $1 billion from the budget. Miraculously it turns out to be a $5 billion increase.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I wish to bring to his attention that we are not debating the budget at this time but rather Bill C-66, an act to amend the Excise Tax Act. The budget debate is over. I am prepared to give the hon. member all the latitude this House will allow, but I hope that he will soon come to his remarks about the Excise Tax Act modifications which are before the House at this time.

● (1750)

Mr. McKinnon: I read with interest several of the debates which have taken place in the last few days and,

with respect, it seems that some hon. members managed to get quite a considerable distance away from this bill.

An hon. Member: They were all Tory speeches.

Mr. McKinnon: I had hoped for an opportunity to reply, particularly to the hon. member for Nickel Belt (Mr. Rodriguez), and to some of the charges he made about the government of the province of Ontario, which at the time did not seem to me to be particularly relevant to Bill C-66.

I would like to read from *Hansard* for July 16 where the hon. member for Nickel Belt said:

> For the hon. member for Grenville-Carleton to castigate the Liberals for the kind of mean legislation they are introducing—is to forget, Mr. Speaker, that the province of Ontario takes 19 cents on every gallon of gasoline for the provincial coffers.

That being in order on July 16, I would like to reply to it on July 21, if I might. Such a thesis is advanced by the hon. member for Nickel Belt. I can say quite sincerely that he fulfills all the requirements for a good socialist speaker in that he is able to speak quite irrationally on a subject, but with the utmost conviction. The thesis he advances would prohibit people from speaking about this tax bill if they were of the same political faith as the government in the province in which they live and if that province has a tax which is levied on gasoline.

On should perhaps think of the hon. member for Winnipeg North Centre (Mr. Knowles), who is present tonight. I presume the hon. member for Nickel Belt is claiming that there is no gasoline tax in Manitoba and none in Saskatchewan, but I happen to know that there is in B.C., and I am informed that there is also a gasoline tax in Manitoba and Saskatchewan. Yet I would be the last one to deny the right of the NDP to castigate this defective bill on the excuse that they should not be allowed to because their particular brand of government has a tax on gasoline in their province.

In British Columbia it is interesting that the gasoline tax was recently increased two cents per gallon. God knows most of us know enough about politics in Canada to sympathize with provincial governments because of the very narrow taxation fields left to them. There are few ways for them to raise funds for highways other than a gasoline tax. In B.C. the NDP government decided not to use the tax levied on the poor driver to repair highways or build new highways. Instead it is being put to a most peculiar purpose. In British Columbia for many years there was a pretty healthy automobile insurance business, which paid in taxes on premiums something in the order in 1970 of $2.9 million; in 1972, $3.2 million; and in 1973, $3.7 million to provincial coffers.

This made the NDP government rather envious, and its members thought the companies must be making enormous profits, so they thought they would take over that business, and of course with government expertise in all these things they thought they would do extremely well. They took it over, and the resulting loss in tax revenues to the provincial government by this monopolizing of an industry is $3 million to $4 million per annum. On top of that this government company has managed to lose $35 million. The industry was quite healthy when the government took it over, and to make up for the $35 million it managed to lose, the government imposed a gasoline tax increase. The poor driver in B.C. has to pay for the inefficiency of the Socialist hordes, and it comes pretty hard at times.

I would like to make one small comment on the claim made by the NDP, not in this debate but on this subject, that the main fight which is going on in this House regarding the budgetary measures of the government, including this ten cents excise tax, is coming from the NDP. This was stated by the hon. member for New Westminster (Mr. Leggatt) on, I believe, the CTV network. Of course I can never hope to reach the audience the hon. member had in order to correct him, but he said that he thought that the main battle against this iniquitous budget was coming from the NDP. I would like to point out that a quick scanning of the pages of *Hansard* during the six days of the budget debate indicate that on June 25 there were four speakers, one of whom was a New Democrat.

Mr. Knowles (Winnipeg North Centre): It is quality that counts.

Mr. Alexander: Where were the others?

Mr. McKinnon: That I do not know. On June 26 there was one New Democratic speaker of nine members who spoke: on June 27 there was one NDP speaker of nine members who spoke; on July 2 there was one NDP speaker of 13 members who spoke; on July 3 there was one NDP speaker of 13 members who spoke; and on July 4 there were no speakers from the NDP and 12 from other parties. This came to a total of five NDP speakers—out of a total of 60 speeches made—putting up the battle and the real opposition, according to the hon. member for New Westminster, to the budget. This is some fight, the greatest since the Prime Minister (Mr. Trudeau) started wrestling inflation to the ground, and it has had about as much result. Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock I do now leave the chair until eight o'clock tonight.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. McKinnon: Mr. Speaker, during the dinner recess I had an opportunity to look over the remarks I made earlier today concerning the hon. member for New Westminster (Mr. Leggatt) and his allegations about the NDP fight against the budget. It occurred to me that not all *Hansard* readers would identify him as the TV personality of the convention. It was the hon. member for New Westminster whom the commentators kept saying should have been running instead of the hon. member for Oshawa-Whitby (Mr. Broadbent). I am inclined to agree with them.

However, the hon. member for Oshawa-Whitby is to be congratulated on his pre-ordained victory—ordained primarily in the offices of the giant multinational unions. It is one of the ironies of Canadian politics that the party with the word "democratic" as part of its name should

conduct such an undemocratic leadership convention where nearly half the delegates were not elected by their neighbours but instead were selected by the giant multinational unions. These organizations thought so little of the convention that they sent only enough delegates to guarantee the election of their choice.

Mr. Chrétien: Out of order.

Mr. McKinnon: The hon. member for Oshawa-Whitby should be congratulated.

Looking at this budget bill, C-66—

Mr. Chrétien: It's about time.

Mr. McKinnon: —I would like to remark that I am a great admirer of the Minister of Finance (Mr. Turner) and his department in the House during the last seven months. During question period we had the experience of the minister for five months saying that he could not answer questions because he was waiting for his budget measures to work their way through the economy. Then came a change and in April he could not answer any questions because he was bringing in a new budget. Maybe he is getting into a seven month cycle where we will have a new budget every seven months, followed by a period in which he will not answer questions on his budget measures, saying he must wait for them to have a salutary effect on the economy. Then there will be a period preceding the next budget which is meant to rectify the miserable failure of the previous one.

I should like to ask the minister if he had considered an exemption, in Bill C-66, for handicapped people from the ten cents per gallon excise tax?

Mr. McKinley: The minister is not here; his parliamentary secretary is not here.

Mr. McKinnon: Many handicapped people are absolutely unable to use public transportation. Some have gone to great expense to have their cars modified and some have built special ramps to enable them to wheel themselves into their cars. It seems to me unreasonable and cruel to charge these people this ten cents per gallon excise tax.

I wrote to the minister some time ago about this matter. After the usual cordial salutation he replied:

> The department has received a number of representations asking that some deduction be allowed in respect of transportation expenses for the handicapped, particularly in respect of their expenses incurred getting to and from work. Therefore, the proposal has previously received considerable study. In general, deductions in computing income are allowed either in respect of amounts incurred to earn income or in recognition of a particular circumstance which necessitates the incurring of abnormal expenses. For tax purposes, disability is recognized as necessitating relief in two forms, namely, through medical expense deductions and in a special exemption for the disabled.

Unfortunately this only applies to people who are bedridden or in wheel chairs. A great number of deserving handicapped Canadians are unable to qualify, not being bedridden or in wheel chairs, so I think it is unfair of the minister to suggest that he is all heart when it comes to every bedridden patient who cannot work. He should also worry about those who with a great deal of effort are able to go to work. He should find it possible to do something for them. The letter continued:

> Transportation expense is an expense highly dictated by personal choice and subject to a number of widely varying conditions.

Of course, Mr. Speaker, this is tommyrot when talking about disabled people who have no choice of transportation.

The letter continues:

> Because of the broad difference in the amount spent for transportation and the range of circumstances which influence the amount spent, nearly all tax systems follow the rule that no general deduction is permitted for personal transportation expenses.

Dismaying as it was to receive such a reply to representations made on behalf of my constituents, I had hoped that the minister might find it possible, in his budget speech at least, where he made several other exemptions, to do something for these people. Such was not the case, however, despite the fact that Bill C-66 makes some exemptions.

On page 2 the bill gives the right to rebate as follows:

> 47.(1) Where gasoline has been purchased by
>
> (a) Her Majesty in right of Canada or a province or any agent of Her Majesty in right of Canada or a province,
>
> (b) a person for commercial or business purposes,
>
> (c) a farmer for farming purposes,
>
> (d) a fisherman, hunter or trapper for commercial fishing, hunting or trapping,
>
> (e) a person under conditions for which relief from the consumption or sales tax is provided by virtue of any provision of this act other than subsection 27(2), or
>
> (f) a person within a class of persons exempt from tax under part I of the Income Tax Act.

I think a considerable percentage of the population must be covered by these provisions so I find it strange that the minister could not make an exception for the few handicapped people who depend on transportation to get to work.

● (2010)

I checked on the number of people involved and, although it is difficult to get the figures, I learned that in the province of Ontario there are 3,867 people driving with licences limited to those cars which have an automatic gearshift or an abridged clutch-brake system. Presumably since there are 3,867 such licences in Ontario there are that many handicapped people driving cars. It would be fair to say, surely, that there are about 10,000 such people in Canada, every one of whom is required to drive a special type of car, at additional expense, and every one of whom is making a sincere effort to be part of the work force, despite the handicap. If each person uses, say, two gallons per working day, each person will use 400 gallons a year; at ten cents per gallon, times 10,000, the minister would collect an additional $400,000, or $40 per person.

I know that there is a legend in this House. Mr. C. D. Howe once said, "What's a million?" He said it in the days when $1 million was a lot of money. Surely as the budget contemplates the spending of about $35 billion, the minister could look favourably on the request of the handicapped, who want to deprive him of only $400,000 out of his income exceeding $30 billion. If the minister cannot

exclude these people, I ask him to consider giving them the right to rebate.

I note that the minister said on July 9, when participating in debate on the Excise Tax Act, as reported at page 7410 of *Hansard*:

> Nor was it in the national interest that the excise tax on gasoline be paid by hospitals, or by educational, welfare, and charitable organizations.

I think he can stretch that a little and include the handicapped. Or, in the alternative, the handicapped ought to be allowed to band together as a charitable organization, and therefore come under the provisions relating to charitable organizations. But I point out that these people are independent minded. They do not wish to band themselves together and accept charity. They wish to be as self-sustained as possible and are willing to do everything they can to maintain themselves as independent members of our work force.

I look forward to this debate being carried on in the committee stage, in two or three weeks time or whenever it happens to be, when we shall all have the opportunity to speak as often as we want. I hope to ask the minister some definite questions concerning his intentions with regard to the handicapped. It saddens me to see that, after having received my representations by letter, he should introduce a measure like this which will so clearly hurt those people, and that so far he has refused to do anything to make their lot easier.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to express unequivocal support for my leader's amendment to Bill C-66, which would hoist this bill for six months. I find it strange to note that no government members are rising to speak. Not one has risen to speak since last week. Obviously they fear this bill, and run from the House. I suggest that there is complete chaos over on the government side with regard to implementation of this legislation. The implementation provisions were to be explained fully by the Minister of National Revenue (Mr. Basford). Is it not strange that he has not spoken on the bill? I hope these matters will be made clear before the debate ends.

There is very little in the latest budget that would lead anyone to believe that it will be of benefit to anyone in the nation, let alone the nation as a whole. The proposed excise tax on retail gasoline is probably the best example of the discrimination that is running rampant in the government's recent thinking. This measure will certainly produce some blatant discrimination against the groups of individuals who are already carrying the greatest tax burden on their shoulders at this time. I refer to the working people who produce the goods and services that keep our country going and prospering, despite the best efforts of the government. The latest mish-mash of tax increases has landed squarely in the laps of the same people; and these are the people who have no legal way to retrieve their tax dollars. They cannot afford to "buy" the loopholes that many affluent members of society can. And they do not have a huge margin of extra income to draw on when the Minister of Finance (Mr. Turner) decides that they should carry an extra load.

[Mr. McKinnon.]

I accept the concept of the two-price system for oil and the benefits of fuel for Canadians at less than the international price. But I cannot ask any working person in any part of this country to carry the load for me by way of an excise tax on gasoline. This is exactly what this budgetary measure calls for. I cannot understand why people living in Stonewall or Headingly, Manitoba, and happening to work 15 or 20 miles away, in Winnipeg, should have to pay an extra ten cents per gallon which they cannot recover, so that we can have a two-price system for oil. There has to a more realistic method to raise the funds required, a method that would have every taxpayer in the nation bear the burden equally, and not single out certain individuals who can least afford this burden.

There is a score of methods by which this job could have been carried out more effectively, and certainly more fairly. This makes one think it very strange that this budget was even produced unless it was simply the result of compromise amid a disagreeing cabinet. If this is the case then it is a splendid example of the old addage, "With compromise, everyone loses."

As has been stated before, we believe this matter could have been handled for the benefit of the Canadian people in a much more sensible and able manner than by the introducing of this very discriminatory tax.

Let us examine some of the alternatives. Foremost is some kind of a coherent transportation policy that will give individuals an alternative to the daily waste of gas they cannot avoid. Surely if the government had a genuine desire to conserve oil it would produce a transportation system which was a viable alternative to the automobile, a system which people would be enticed to use. Without doubt, if we had better passenger train operations in this country and some semblance of rapid transit systems in more cities, we could get more people involved in other modes of transportation.

Canadians are, in many cases, virtually forced to drive their automobiles to work. The result is a vast, unnecessary waste of gasoline. This, coupled with the higher costs occasioned by the new tax, means that working Canadians will have to ask their employers for more money. The individual employer will have to raise his prices to cover his own increased costs, and the circle continues, with a higher inflation rate as the inevitable result.

This proposal for taxing gasoline at ten cents a gallon will result in about $525 million in revenue. The oil subsidy program is estimated to cost about $400 million. Even if one did agree with the government's archaic methods one would have to note that the revenue is excessive by over $100 million. This is over kill.

It will be argued that the full ten cents, while unnecessary, will result in greater conservation of energy. I submit that the effect on conservation will be negligible. The people I mentioned, those who must drive to work, cannot choose not to buy gasoline. Until public transportation systems improve the present situation is a fact of life. For people who can afford to drive for pleasure, ten cents a gallon makes little difference. The effect of the conservation measure of these people will be nil.

Until the government can show an example of restraint and conservation in its own back yard, any of its words on

this subject will be treated as the total hogwash they are—and that mild word is being used only out of respect for parliament, for which we still have feeling on this side.

If the government had any real commitment to saving, there are hundreds of things it could do. This has been said before, but it will keep on being said until someone on that side begins to listen. The government could cut out some whole programs. Certainly some LIP and OFY projects are questionable. If the Liberals could do without their publicly funded propaganda arm, easily half the budget of Information Canada could be cut. They could and indeed must cut back on the billion dollars a year that is spent on outside consulting services.

If the government were serious it would exercise a little more common sense before introducing an unnecessary expenditure the size of Petro-Can, a move that had to be the greatest example of inappropriateness until this budget was introduced. It was totally inappropriate to introduce a tax measure that is going to raise inflation by 2 per cent during a time of unprecedented high inflation. It was totally inappropriate to introduce a measure that is supposed to force people to conserve gasoline by using public transport when public transportation is non-existent for 80 per cent of the working people in the country. Also, it was totally inappropriate to introduce a tax that is blatantly discriminatory against the working poor and the working people at a time when these groups are already being taxed to death by all levels of government.

● (2020)

The government has the unmitigated gall to call for conservation when its own shameful, irresponsible waste is the very reason for the bulk of the country's woes. I find that the very lowest form of hypocrisy.

A great deal more can be said about the implementation and administration of this tax. It was the botched up result of the short sighted thinking that we have come to expect from a government that has apparently lost sight of reality of the practical considerations and consequences of its actions.

The tax was levied against the refiners and importers of gasoline, and the date of commencement was set at June 24, 1975. The gasoline in the hands of wholesalers and retailers on which the special excise tax had not been levied should have been available to consumers at the pre-tax price. However, this was often not the case and the retail price immediately jumped at many pumps. A little more thought by the government to alternatives, such as a date of commencement on July 1, might have helped to avoid the problem and a fair number of consumer rip-offs.

Some other major problems with this excise tax have to do with the administration of the refund claims and the very question of who will be exempt. The question has been raised about municipalities not being specifically referred to in the bill. I wonder what other groups have been inadvertently left out of the exempt categories. This was very fully covered this evening by the hon. member for Victoria (Mr. McKinnon). Notwithstanding this, the volume of paper work involved in processing the exemption claims will be staggering, probably resulting in a further expansion of the federal bureaucracy to handle it. This runs contrary to the supposed purpose of the budget, to restrict the growth of the public service.

It is pretty obvious that this bill has been very poorly drafted and will result in an administrative nightmare. I can only hope that the government will see fit to swallow whatever pride it has salvaged and co-operate with us in attempting to improve the situation and the legislation.

I have outlined the reasons why I feel this legislation is inappropriate, unrealistic, useless and damaging. It is obvious that it is dangerously inflationary at a precarious time for our economy.

Worst of all, it is doing expressly what the Minister of Finance has vowed not to do, that is, fight the country's economic battles on the backs of the working poor. With the ineffective strategies being employed in this war there will be an awful lot of broken backs before it is all over.

In a recent newsletter the Canadian Chamber of Commerce summed it up very well. They are certainly in tune with the Conservative party in their thinking about this bill. I quote from the newsletter:

"Unless there is an immediate end to the battle between governments for resources industry revenues," said Mr. B. T. Johnson, Chairman of Executive Council of the Canadian Chamber of Commerce, "the real loser will continue to be the consumer. The ability of the industry to find and develop new sources of supply is hampered by the lack of money."

"The Canadian consumer should not be misled into believing that the recent increases in petroleum prices are providing large profits to the petroleum industry," said Mr. Johnson in a statement released today. "In fact, by taking larger and larger tax bites without regard to their impact, the federal and provincial governments have become the real beneficiaries of recent price increases."

"The latest $1.50 per barrel increase authorized by the federal budget of June 23 is a classic example," he said. "Unless the producing provinces reduce their royalty rates the entire $1.50 will continue to be taken by the federal and provincial governments until December 31, 1975, and thereafter the governments will receive approximately $1.25 or 83 per cent, while the industry will retain about 25 cents or 17 per cent and then only provided there is a very substantial re-investment of funds by the industry in exploration and development. This is equivalent to a wage-earner receiving a $1 per hour increase in wages and taking home only 17 cents."

Mr. Johnson said, "The Chamber is concerned that the actions of some provincial governments have further reduced the revenue that should have been available to the industry, by the temporary freezing of prices and/or the requirement of applying to a provincial board for approval to implement the federally-authorized price increase."

"Such interference in the competitive market system," said Mr. Johnson, "artificially reduces prices for a short period with little benefit to the consumer, causing the industry to lose millions of dollars that would otherwise be available to develop new sources of supply and assist Canada to regain its self-sufficiency in petroleum products in the 1980's."

"The consumer should also know where the money goes when he buys a gallon of gas at the service station," said Mr. Johnson. "Off the top of the retail price in Montreal of 78.9 cents per gallon, the federal and provincial governments take 32.3 cents including the 10 cent-per-gallon excise tax imposed by the recent federal government budget. The service station operator receives about 10 cents per gallon. Of the 36 cents per gallon balance, approximately 12 cents is paid out in royalties and income taxes. A similar breakdown applies across Canada, varying only with the application of provincial taxes and retail margins, leaving 24 cents to pay for exploration, drilling, extracting, storage, refining, transportation, marketing, wages, interest on borrowings and other costs."

In summary, Bill C-66 is highly inflationary. It is in direct conflict with the government's so-called consensus plan which was announced some weeks ago. The consen-

sus plan was to deal with inflation. However, after a few meetings with business and labour we heard no more. The plan apparently died, and inflation continues to run unchecked in Canada. When will the minister and the government bring in proper legislation to deal with inflation?

Has this government no compassion or conscience? I beg them to stop the double-talk and window-dressing consensus plans and act now before they completely destroy this country.

It is the Progressive Conservative party, the official opposition, which has led the fight to oppose Bill C-66. As the Liberal member for St. Boniface (Mr. Guay) and the Minister of National Defence (Mr. Richardson), who is the Liberal member for Winnipeg South, will be voting for this huge tax increase, I will be the voice for these two consituencies and vote against this bill on their behalf as well as on behalf of the residents of Winnipeg South Centre.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will try not to cover too much old ground that has been sort of mulled about in the chamber, although I cannot help but comment on a couple of features that other speakers dealt with at some length.

I think it is important that we talk about the bill instead of a number of fairly unrelated matters. This bill is clearly a regressive piece of legislation, the kind one can expect from a Liberal government, a government that is very cautious at election time about the great Canadian population. But between elections we have grown to accept this kind of cynicism, this kind of bill which clearly has the same kind of impact on someone earning $30,000 as on someone who is earning $7,000. Its effects will be least among the elite, among certain people in the business community who can deduct this iniquitous tax; but my constituents, who have to drive to work every day, really do not have any choice. We cannot expect people who have to drive 20 miles every morning through the Fraser Valley into Vancouver to stop driving simply because they feel the tax is too high. We cannot expect them to stop consuming gasoline.

● (2030)

I wish to deal with the spurious argument that somehow this tax contributes to the conservation of gasoline. The hon. member for Rocky Mountain (Mr. Clark) dealt at some length with the problems of those who occupy themselves with the affairs of their community in a practical way, people who have a socialist regard for the common good and who volunteer their time as necessary.

An hon. Member: That spirit was there long before socialism.

Mr. Leggatt: They are now being told it will cost them more to make their contributions to the community. I would not expect to see this kind of legislation around election day, so I suppose we have a long way to go before we see another federal election.

This tax bears heaviest upon those who can least afford it. It will cause approximately a 2 per cent increase in the cost of gasoline. The man who motors 15,000 miles a year will pay an extra $75 to $90 for his gasoline. Oil for home heating, as a result of the minister's proposal, will cost an extra $60 a year, again a regressive tax.

The principle of the equalization of gasoline prices in the country is one which commands general support, but the manner of achieving it boggles the mind when one thinks of the options available to the government. If they wanted to end the fixed write-off for corporations they could pick up another $500 million. If they wanted to end the investment tax credit they could get another $200 million. That would quickly provide the kind of revenues they are looking for.

An hon. Member: It would cost a few jobs, I suppose, particularly in some areas.

Mr. Leggatt: It might cost the Liberals a few supporters, too.

Mr. Foster: Don't get nasty!

Mr. Leggatt: I suppose we have to weep most about the oil companies. These people I see every Saturday night tell me it costs a lot of money to drill in the Beaufort Sea, and that it is necessary to make big profits if they are to drill in this country. And the government has gone along with this point of view.

Poor old Imperial Oil! In 1971 its profit was $136 million; in 1972 it was $151 million; in 1973, $228 million, and in 1974, $290 million. We are facing a strike in this country and it is the oil companies which are on strike. They won't look for any more oil because $290 million is not enough. They need more! And they know where to look for more.

Take poor Gulf Oil. In 1971 it made a profit of $53 million; in 1972 profits rose to $64 million, and in 1973 the figure was $101 million. That little oil company is growing. It is doing very well. But not well enough to go out and explore for oil. They have to look after the shareholders before they do that.

The government has been put into a panic by the protests of the oil companies that their profits are so low they cannot afford to look for oil. I shall not pursue this aspect of the matter; I believe the topics I have dealt with so far have been pretty well covered by my hon. friends and others.

On July 9 the minister stated, as reported in *Hansard* at page 7409, that this tax would contribute significantly to energy conservation, an objective which the people of Canada support. I question that statement, Mr. Speaker. I am sure the hon. gentleman is right when he said this was an objective Canadians support, but to say that raising the price of gasoline by ten cents is likely to lead to the conservation of gasoline is meaningless. As long as the automobile ethic is with us, people will continue to use gasoline. No one has challenged that ethic. No one has come forward with a concept capable of leading North American society away from the automobile.

The minister mentioned conservation three times in the course of his speech but nowhere did he tell us how we could promote conservation, save for this suggestion that if the price were high enough it would deter purchasers. In fact the record in the last ten years shows the opposite to be the case. The price of gasoline has been climbing steadi-

ly even in the absence of this last ten cents impost. On the other hand, consumption has been increasing at an even faster rate. The record gives the lie to the minister's argument that raising the price of gasoline would deter people from using it. Let us cease making spurious arguments and direct ourselves seriously to the issue of conservation.

The other gesture the minister made toward the conservation of energy was to remove the 5 per cent sales tax from insulation materials. This is a meaningless gesture, for the simple reason that the retailers themselves do not control the price of the product. The companies which produce this material control the price, so the tax relief will be gobbled up by the major companies which control production.

An hon. Member: He is pointing at the Tories.

Mr. Dick: On a point of order, Mr. Speaker, an hon. member says he is pointing at the Tories. I notice the hon. member is speaking from a Tory bench. I thought he had joined our party. Are we on second reading, or have we reached the committee stage? Why is he not speaking from his own seat? He is trying to emulate Tom Cossitt.

Mr. Leggatt: I can assure you, Mr. Speaker, that I had permission from the hon. member, who is a great distance from me in philosophy, but his seat is so often vacant I thought it might be more comfortable to occupy it.

An hon. Member: It is against the rules of the House.

The Acting Speaker (Mr. Penner): Order. I wish to ascertain from the hon. member whether in fact he is speaking from a seat which is not his own.

● (2040)

Mr. Leggatt: Mr. Speaker, I normally speak from this position, which is half way between the two seats. Perhaps my voice carries over the seat of the hon. member—I am not sure.

Mr. Buchanan: That is what you call the middle of the road.

Mr. Leggatt: I want to assure Your Honour, with the greatest respect, that I am not intending to violate the rules of the House by speaking from the wrong location, but it is easier for me to stand in the aisle.

If I can return to my train of thought, it is alleged that the removal of the 5 per cent sales tax is contributing to the conservation of home heating oil, but this is meaningless since most heating oil is consumed within the home. What we should have had is a complete reduction from income tax of the cost of insulating one's home, perhaps with some provision being made regarding the building of a home. Gestures like this are not encouraging the Canadian people to go along with meaningful conservation.

British Columbia has had a 55 mile an hour speed limit for I do not know how long, but this is unknown in the east. The Minister of Energy, Mines and Resources (Mr. Macdonald) made certain suggestions regarding conservation in 1973, but in our house we were taking those steps five years before that. We are waiting for the rest of the country to catch up with us.

I suggest we should do something about the horsepower rating of cars that are imported into Canada. Some cars gulp gas at the rate of one gallon for every nine miles, some even every five miles. Surely the government has the courage to take a forward step in that regard. I notice my good friend from Oshawa-Whitby indicating skepticism at that remark, but again I think this would be a useful step to take.

We could also stop building these monolithic skyscrapers in the centre of our cities which make enormous demands on our energy resources, and redirect some of our priorities in more meaningful ways. We could do something even more important, and that is to implement a Liberal promise made in the last election regarding rapid transit. However, it looks as though my hon. friends on the other side are following a well known maxim, which is never to spoil a good promise by keeping it. The promise to provide rapid transit was a good one, and let me put it on the record, as reported in the Montreal *Gazette*. On June 17, 1974, the Prime Minister (Mr. Trudeau) in Toronto announced a $270 million program to aid public transit. He said:

> A Liberal government would pay 100 per cent of the cost of Canadian-made commuter vehicles and 50 per cent of the cost of platforms and stations. The government would also pay 25 per cent of the cost of Canadian-manufactured vehicles for public transit within cities. Encouragement and assistance would be given to smaller municipalities in the creation of new transit systems, Canadian industry would be encouraged to develop passenger vehicles, and experimentation with new transit systems would be assisted by federal financing of demonstration projects.

That would be a good start, and it is something that the Canadian people endorsed by the way they voted last time. I respect the way they voted. We took a shellacking in the last election, and we are perfectly ready to admit it. They wanted to take another chance on my hon. friends opposite because they wanted that kind of leadership, a meaningful approach to conservation and changing the lifestyle of this country with regard to the automobile. But what action does the government take? It puts a ten cents a gallon tax on gasoline. Is this the government's response to the over-consumption of energy in this country? I suggest it is a meaningless gesture.

One of the problems in this country is that consumption of energy is determined by those who advertise to a great extent. I am tired of looking at advertisements placed by hydro-electric companies urging people to buy a toaster or a refrigerator, and then on the next page there is a news report which says the same company requires another dam because it is short of power. We cannot have it both ways. Much of the energy demand in this country results from consumerism on the part of companies, and the oil companies continue to be among the worst offenders. We are letting demand determine supply, which is something we cannot do if we want to change our lifestyle.

This demand is artificially created and maintained to some extent by the oil companies, the electric companies, by people whose interest it is to see that over-consumption of energy continues. The government does not have the courage to interfere; it is still sitting there, living with Adam Smith. What the government must do is to enter the

free enterprise system and artificially change the demand formula for the energy products. This requires leadership, something the government has yet to provide. I wait, and hope that at some time in the future—certainly it is not in this bill—a meaningful approach to energy conservation will be taken by changing the concept of supply and demand.

Let me refer to what one of our scions of industry, Mr. Twaits, has to say in an article intitled "Energy for Canadians".

Mr. Cullen: He has retired.

Mr. Leggatt: I thought the hon. member said I had. According to retired Mr. Twaits time is not on our side, and policies must be set now if Canada is to have the energy it needs. He ascribes to the philosophy that demand is limitless but he does not accept the policy of conservation.

In March, 1975, the Science Council of Canada made a statement of which the government has not taken notice but which I recommend be read very carefully. In its report No. 23 it said this:

> Traditionally Canada has allowed projections of energy demands to dictate policies for energy supplies; little thought has been given to the efficiency with which we use our energy resources.

What the Science Council is trying to say is that we should change our demand concept or we will not make any progress at all with energy conservation in Canada.

● (2050)

I suppose one of the tragic things about the whole question of conservation is that Canadians are squandering energy and we still have not got together in a conservation effort partly because of lack of leadership by the government. We are the second highest energy users in the world. We spend eight cents of every dollar on energy, or 18 cents of every dollar on energy using facilities. This waste in the eye of anyone from an energy poor country would be seen as a national scandal. How to we change this situation? We do not do it by playing a game with an excise bill and calling it a conservation bill.

This is purely a revenue producing measure. It is not a popular bill. It would never be introduced at a time when the government would have to stand or fall on its legislation. This brings us back to whether the government has the courage to do some unpopular things. I am not one who would always stand up and condemn a government for doing something that is not entirely popular. I do not think that would be a quality of leadership. The government should show once in a while that it can do that, rather than bring in such an excise tax bill.

The government should have a meaningful program, one in which perhaps there would be the necessity to take a look at rationing. It should be a program for the conservation of energy, in which high users would be charged less. At the present time high electricity consumers are given a reduced rate while the smaller consumers are charged the full rate. I plead with the government to show the kind of courage that is necessary to come forward with legislation which, although it might not be entirely popular, would be legislation which looks beyond the next year, the next month, or the next election.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, in rising to take part in this debate I should like to say I was concerned a little by the effect the proposals made by the minister in this budget would have on the constituency I represent, as well as on the country as a whole.

As the minister went through the list of proposed expenditure slashes it became evident that there were areas which would definitely effect my constituency. He spoke of defence, the environment, trade and commerce, the farm Credit Corporation, and the Business Development Bank. I was forced to question some of his priorities.

Two days ago when we had the announcement of the scrapping of the urban demonstration project I received a phone call from the reporter of a local radio station who asked whether I did not consider, with hindsight, that the budget had been one that struck particularly hard at the constituency. I reminded him that it did not require any hindsight, and that I had told him exactly that on budget night in my remarks following the presentation of the budget.

We are debating an amendment which would hoist the bill and I believe this is in line with the thinking of a great many Canadians who, at the present time, are wondering why the minister bothered to bring in a budget at this time. We wonder at the thinking which allowed him to be trapped into presenting a budget at a time when it was neither wise nor necessary to do so.

I think the budget that was presented is indeed a strange one. The main purpose of it would seem to be to assist inflation because we find it lacks the courage to hit the issue of inflation. It demonstrates a lack of courage to bring in any effective income policy. The minister has presented proposals which in a time of inflation are inflationary. He brings in a ten cents a gallon tax on gasoline on top of the increase in the price of oil. This is a particular blow to a constituency and a province which depend on the tourist industry, because here we have a proposal guaranteed to reduce travel within the country and to discourage entry into the country by those who would drive across the border and contribute to our revenues in the west, or in any other part of Canada for that matter.

I should like to return to the question of the collapse of the urban demonstration program because it has been touted as one of the great savings in the budget. We are led to understand that close to $100 million is to be saved. That program originally was announced by the present Minister of National Revenue (Mr. Basford). At that time the present minister did not hold the portfolio. I have here the brochure that was prepared when the Minister of National Revenue was the Minister of State for Urban Affairs. At that time the program was announced with great fanfare and some very fine words. In the preface to the brochure we find these words:

> The Canadian Urban Demonstration Program is one way of helping to ensure that as change comes, as it must, it will be in the direction we want. The program is designed to identify and highlight the best of the new ideas Canadians have for improving their communities. By encouraging and publicizing successful innovations across the country, a more genuine choice will be open to everyone who will affect our

urban future: elected representatives, officials, private interests and individual citizens.

It ends with these brave words:

I wholeheartedly encourage your participation in this exciting new program, through which Canadians can play an active role in the shaping of their future.

The history of the urban demonstration program is such that it certainly will not encourage Canadians, be they elected officials, representatives, or private citizens, to become terribly excited about any future program brought forward by the federal government with this sort of fanfare. Anyone who sees what has happened in respect of this program would be very discouraged about the prospect for the future.

I should also like to quote from the section of this brochure on financing the program, where we see this:

It is expected that the basic cost of demonstration projects will be financed through normal sources of funds: federal, provincial, municipal, private, or any combination of these. Additional support may be provided from a $100 million fund that will be disbursed over five years, beginning April 1, 1975. The fund is intended to be a catalyst and supplement, not a source of prime capital financing.

We know now that the operative words there are the "may be" words.

● (2100)

In spite of the reference to the $100 million fund, Canadians and particularly municipal officials who were lured into applying for money from this fund, found out that no such fund ever existed and that the savings are paper savings—that the financing was not there. There were 14 projects accepted initially. Then the minister sought to cancel the entire urban demonstration project in spite of the size, quality, and great words of the brochure.

The public might have been led to believe that there was a direct connection between the bringing down of the budget and the ending of the program. In fact there might be some Canadians who assume that that was the entire cause of the end of the program. But we know from various press reports that other factors were involved.

The first 14 projects selected for the program were screened by a now defunct advisory committee headed by Dr. Kenneth Hare of the University of Toronto, a former federal adviser on environmental research. In a statement reported in the Ottawa *Journal* of Monday, July 7, Allan O'Brien, the advisory committee member, is quoted at some length. The article says that the program's suspension did not particularly surprise him. He said he was disappointed because the program did have potential to develop and expand the federal government's role in government affairs, and he criticized the implementation process designed for the program, saying it had not been thought through carefully enough. That, of course, is not the first bit of government business in recent years that has been announced prior to its being thought through carefully. He repeated that the advisory committee had been in limbo for some weeks while federal officials tried to figure out what its function should be in the future.

So when we learn that the entire program has been scrapped we can be a little skeptical on this side of the House in assuming it was scrapped because of anything that came out of the budget. I think the program was in a mess and that the decision, which had been hailed as being a very tough one on the part of the Minister of State for Urban Affairs (Mr. Danson), was perhaps not all that tough.

When we look at the highlights of the budget, on page 5 of that handy little brochure issued along with the budget, we find the section on the control of government expenditures, reductions and postponements, indicating they will be applied to almost all government departments and agencies, and some of these are singled out for special mention. They are Transport, Defence, Public Works, Environment, External Affairs, Industry, Trade and Commerce, Secretary of State and other departments, Petro-Canada, the Federal Business Development Bank, the federal Mortgage Exchange Corporation, the Farm Credit Corporation, and others, but there is no mention of Urban Affairs, and no mention of the urban demonstration program. It seems to me very strange that if at the time it was prepared the people preparing it knew that the entire urban demonstration program was going to be slashed, there was not even a hint in the list of priorities for reducing federal expenditures.

The minister, in announcing the ending of the urban demonstration program, called it a suspension, but I think we can safely assume that it has been ended and will not be resurrected, at least until it serves the government's purposes to resurrect it. I suggest that the time for its resurrection will come during the next federal election campaign—which will undoubtedly be twice as expansionary as the one we had a year ago when all kinds of programs were being announced week by week as we approached July 8. Until then I believe the urban demonstration program is dead.

The total figure of the amount being saved is illusory because some 200 projects have been returned to the people who submitted them. I suggest that the municipalities and organizations which submitted these projects have made considerable expenditures in researching and preparing the applications to the federal government, and I find it utterly reprehensible that a government, which less than a year ago announced a project and urged, demanded, encouraged and incited municipalities across the country to apply for it, when it received the applications, withdrew the project.

An enormous waste is taking place in this country simply because senior levels of government have not seen fit to work out a formula whereby municipalities would share in the total tax cut in relation to the expenditures that are demanded of them. These expenditures are made mandatory by the senior levels of government, and yet the municipalities have to cover the total cost.

I feel very strongly about this, and I believe that in future before the federal government prepares a program of this nature and of this magnitude, and announces a fund of $100 million to finance it, whether it be over one year or over five years, it should have some sort of insurance program or be bonded so that the municipalities which apply in good faith, and submit applications meeting all the criteria of the program, could expect their applications to be taken seriously and be given the attention they deserve.

There is a great waste when the federal government makes a sudden decision through which the entire effort that has gone into preparing applications is wasted and the program is scrapped. In many cases these projects are absolutely vital if we are to find a way toward solving some of the problems that beset the municipalities of this country. The federal government must give leadership and direction, which in this case it has abandoned completely and in haste to the detriment of the municipalities in Canada.

As we look through the bill we find one or two other areas which deserve comment. With regard to the tax on gasoline the government has left itself open to demands for refunds. As one reads the bill one finds considerable attention paid to individuals or corporations using gasoline on a business basis. I suspect it would be too much to expect of the government an extension of the system whereby agricultural gasoline would be coloured purple and farmers could use gasoline of the same grade in their machinery, thus avoiding the whole complicated business of rebates. One has to give the government some credit for its concern that this money be rebated, but one questions the whole proposal.

I notice nothing in the cancellation of the urban demonstration program to suggest that anything would be rebated to municipalities which submitted the 200 proposals. There is no mention of a rebate to mayors, aldermen, city engineers, and planners for the time they put into preparing those proposals that were scrapped so abruptly. I would suggest to the federal government that municipalities are made up of people, and people serve as mayors and aldermen of municipalities. They deserve better treatment than they have had from the government in the budget.

● (2110)

One suspects that we will have a very complicated few years as people submit their applications for rebates. Hon. members know the amount of mail we will receive from people who will be asking what happened to their rebates. They will wonder why they did not deserve a rebate, and we will find ourselves, as the ombudsmen of the people, sorting our way through unlimited numbers of applications for investigation of the whole question of the rebate. I can think of nothing which is more guaranteed to clog the mail, to waste time, to add expense and to save very little, in what is supposed to be a proposal to save gasoline and to push people toward rapid transit. I would suggest that although there has been a move to the cities and a great urbanization of this land, the government and the Minister of Finance should think very carefully before applying blanket taxes clear across the country which can be of no use in areas of the country which are decades away from any kind of rapid transit whatsoever.

It is doubtful whether this measure will accomplish anything in the urban centres in terms of increasing the development of rapid transit. It is strange indeed that as the ten cents per gallon tax is claimed to be for that very purpose, the urban demonstration project, which in many of its proposals was designed to hasten the development of alternate means of transit in the cities, should have been abandoned at the same time as the tax was imposed. Therefore, if ever there was an example of one arm of government destroying the efforts of another arm, it was in the decision to abandon the urban demonstration program at the same time as the Minister of Finance imposed his ten cents tax on the people of this country.

One notices too that it is required of businessmen dealing with the gasoline to, and I quote:

> —keep records and books of account in English or French at his place of business in Canada in such form and containing such information as will enable the amount of taxes or other sums that should have been paid or collected, the amount of stamps that should have been affixed or cancelled, or the amount, if any, that should have been paid or that is payable to him, to be determined.

There is no mention of compensating businessmen for that extra effort on behalf of the federal government. I do not know how many hon. members have been reading the mandate forms for May which have come in from small businessmen across this country, but it has been repeated over and over again, in comments which have been written in on them, that the federal government expects a small businessman not only to pay the taxes but to collect the money, and to do the endless hours of bookwork, without recompense or adequate compensation from the federal government. We will now have one more example of this, and there is a great revolt building in this country among those people who are opposed to being called upon to do the bookwork for the federal government. They are called upon to put in time, and occasionally to hire other people who are necessary because of the decision of the federal government to do this in an awkward and complex way which forces the businessman at the bottom level to keep records and books for the federal government. That is not good enough.

Finally, I would like to refer to one more part of the bill wherein the minister provides, and I quote:

> Thermal insulation materials designed exclusively for insulation of buildings; storm doors and storm windows for buildings; articles and materials for use exclusively in the manufacture or production thereof

Will be exempt from the excise tax which remains from what had been an 11 per cent tax on building materials. On budget night I was not listening to the minister very carefully at this particular point, and I honestly believed that he had said that the 5 per cent tax was being removed from building materials. That is a move we on this side of the House have long advocated, and which is so eminently sensible that I could not believe any other course of action was being proposed. I went on the air back home in a telephone interview and said that the 5 per cent tax had been removed and that at last we had seen the end of that, only to learn to my surprise and horror that it was nothing of the kind.

Goodness knows I should be beyond the stage of expecting anything so sensible, straightforward, simple, so welcome to the lumber industry of British Columbia and so essential to the economy of the constituency I represent, which relies heavily on the lumber industry, as a complete removal of the last shreds of the unhappy and inflationary tax on building materials which has frustrated the economy and the businesses of this country for so long. I should have known that it could not and would not be done by the administration opposite, but I suppose it is the eternal optimism in my nature which leads me to believe that the government would actually do something very sensible.

When I heard 5 per cent and building materials in the same sentence on budget night, I leapt to the conclusion which I hoped the minister would have been worthy of but of which he was not. Instead, we have this tiny little removal which goes along with the window dressing which bedecks the entire budget, a suggestion that basically the government is endeavouring to save our fuel resources when it has not begun to tackle that; a suggestion that it is fighting inflation when it has not begun to tackle that.

The budget failed completely to tackle the problems which beset this country, and because in the Excise Tax Act it fails to do anything sensible it has aroused the people of this country as few measures this government has undertaken for many years have done.

I support the amendment which would hoist this bill for six months, and I hope forever.

Some hon. Members: Hear, hear!

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have been following the debate on Bill C-66, to amend the Excise Tax Act, with a great deal of interest. Much has been said about the lack of equity in this bill, and while I do not want to repeat many of the arguments I think it would be useful to summarize some of the effects of this bill.

Usually one can see bad effects of a particular piece of legislation, and generally it is easy to see that some segment of society will benefit. In the case of Bill C-66 it is easy to see that the bad effects will be felt by many. The bad effects will be felt by workers who are forced to drive to work because of shift work, because of a lack of public transit, or because they live in the suburbs.

Cities will suffer because there will be increased pressure to locate one's residence close to the work location and close to existing public transit systems. Businesses will also suffer, particularly the small businessman who may be a marginal operator. This small business category also includes farmers, fishermen, travelling salesmen, and neighbourhood servicemen. Although the small businessman will get relief in the form of a rebate of his tax, he will have to bear the additional costs of carrying the amount on his books from the time the tax is paid at the gas pump until his refund comes, months later.

● (2120)

Furthermore, the small businessman will have to bear the added cost of accounting for the tax, completing an additional complex government tax form every time he has to apply for the rebate, and of calculating the additional income tax payable on the rebate after it is received and included in income. I will have more to say about the income tax effects of the bill later.

Also feeling the adverse effects will be senior citizens, the physically handicapped, and people who cannot take advantage of public transit for a variety of reasons.

It may be asked who will benefit from this bill. Will it be big business? I say no. They will incur extra costs in financing the huge extra amounts they must pay at the pumps. They will incur extra staff costs for filing claims and generally overseeing this taxation exercise.

It is interesting to note that the government suddenly woke up to the fact that business would be getting an advantage under the original proposal, so now the rebate will be required to be included in income for tax purposes.

Will the oil companies benefit? No. The president of a major oil company said recently:

> No matter what sort of face the government tries to put on it, the important thing for the public to realize is that none of the funds resulting from the new ten cent per gallon excise tax on gasoline or the $1.50 per barrel crude oil price increase will go to the oil companies which need the money for exploration.

Will the public generally see any benefit from this bill? No again. As usual the public will be paying and the government will be spending. The government's proposal to spend exploration dollars through its new Crown corporation, Petro-Canada, was of course the subject of long debate in this House recently.

Who will benefit then? It is no surprise that it will be the government and the bureaucrats. The government has gained a huge new source of revenue at the expense of the individual working Canadian. The bureaucrats have gained a huge new bureaucracy to collect and administer the tax, much of which will be refunded under the expemption provisions.

I think it may be interesting to note what the minister said in his budget speech in June. He said:

> Gasoline purchasers from the commercial, industrial, resource and government sectors will be able to recover the tax. For example, refunds will be available on gasoline used for commercial trucking, for service vehicles, taxis and buses. Similarly, the tax will be refunded on gasoline used in farm vehicles and fishermen's boats. The tax on gasoline used for construction or industrial purposes, or in oil and gas, mining or forestry industries, will be refundable. Gasoline purchased by governments, including municipal, are also outside the scope of the tax.

Imagine what proportion of gasoline in this country is used by those exempted—the taxi industry, the trucking industry, buses, service vehicles, farm vehicles, the construction industry, general industry, the extractive industries, and governments at all levels. I would guess that the proportion would be as high as 80 per cent, but the government has given us no indication of the percentage of use it expects to be exempted from the tax.

The government claims that the ten cents tax is in part a conservation measure. As with the equity arguments, there seems to be no unanimity on that. In a recent speech in Ottawa the Liberal member for Windsor West (Mr. Gray) said:

> As a conservation device, the new excise tax is unrealistic and is also unfair to millions of Canadians. It implies a government view that for essential family purposes like food shopping and visits to physicians, can turn to alternative forms of public transit instead.

In the same speech he said later:

> The only practical way for millions of Canadians to travel to and from work is by car. They either have no adequate rapid transit—or no rapid transit at all—available to them. None will exist for many years in most urban areas. And in some areas, the remote parts of the country and smaller cities and towns, none will likely ever be constructed.

Obviously, Mr. Speaker, not all of the opposition is on this side of the House.

Earlier in this debate the hon. member for Skeena (Mrs. Campagnolo) said that the tax is an unpopular one and that this legislation is not popular legislation. Many mem-

bers on the government side are silent on this issue and their electors will wonder why.

I was interested to see a letter in the *Globe and Mail* this morning from a Liberal member of parliament who shall mercifully go unnamed at this moment. He received many letters from constituents complaining about gasoline prices—"not so much about the ten cents tax" he wrote, although that tax was clearly part of the complaints. He had written to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) in part as follows:

What is so irritating to the people of this region is not the current price level or even the ten cents per gallon excise tax but rather the huge differential in prices.

This Liberal M.P. requested that an inquiry be initiated to determine the reasons for these wide variations. Perhaps he thinks the federal government should just set the price of gasoline at the pump instead of just applying the unpopular ten cents tax.

An hon. Member: You should read it all.

Mr. Clarke: I read it all this morning, but I think the important part is adequately covered right now.

Not only are constituents unhappy with this bill, action such as this in Bill C-66 does not promote good will with the provinces. Ontario, for example, has moved to implement a temporary freeze on gasoline prices, and other provinces may follow. Fearing a slump in the demand for automobiles produced in North America and the lay-offs that would result, Ontario removed its 5 per cent sales tax on North American produced automobiles for the rest of 1975.

The federal government seems to have ignored regional differences in other ways too. The amounts being denied the producing provinces by the imposition of a lower than market price on fuel does not help the residents of non-producing provinces because they are being called upon to pay a price per gallon nearly the same as it would be if the world price were paid for crude oil. The difference is that the extra money paid is going to the government coffers and not being used to explore for more oil supplies or to encourage more enterprise in the petroleum industry. Nor is it benefiting the provinces that have the constitutional right to the energy.

I should like to look at the detailed workings of the government proposals now. The Minister of Finance (Mr. Turner) in answer to some opposition criticism in the House, has asked the question, "How would you do it?"

If we were to accept that the government needed a huge increase in its tax revenues, it seems to me that the Minister of Finance already had the tools at his disposal to carry out his program without resorting to this ten cents per gallon "refundable-if-you're-lucky" tax. But if its interest was in the conservation of resources, the senior government could have used its persuasive powers to reduce speed limits on a nation-wide basis. Slower speed is a proven saver of gasoline and lives, as shown by the experience in the United States.

The federal government has not been hesitant in passing laws about automobile safety and emission controls. It certainly has the power to take other conservation measures such as limiting engine size or even requiring the installation of mechanical "governors" on automobiles to limit speed.

Before suggesting further government action such as the foregoing I would point out that the government's inappropriate and ineffective attempts at conservation would be unnecessary except for the fact that the government has enormously reduced the capability of the petroleum industry by its interference with such measures as the disallowance of provincial royalties as a legitimate business expense in arriving at taxable income; the artificial setting of wellhead prices below world market levels; the setting up of a national petroleum corporation; and the passing of tax rules favouring foreign investment in petroleum exploration.

● (2130)

Before anyone jumps up to say that I favour Canadians paying higher prices for gasoline, let me remind the House that the government's proposals will have exactly the same impact on taxpayers as would a world market wellhead price. The money all comes from the Canadian taxpayer. If the government pretends otherwise, it is deluding you.

The past few remarks refer only to conservation aspects. The Minister of Finance seems to have forgotten that the government has a rather large collection agency known as the Income Tax Department, which has grown enormously in order to deal with the Trudeau government's principles of simplicity and equity in regular income tax matters. Nobody in authority has any idea what happened to the simplicity or equity. The task of this department will be expanded to include the collecting and refunding of the ten cents per gallon tax. Imagine the addition to the bureaucracy that will be required to handle the processing of all the claims. Don't forget that every exemption will result in a monthly rebate to be processed.

On the other hand, if the government would admit that the sole or main purpose of the tax is to produce revenue, and I am not advocating a tax increase when I say this, just think how simple it would have been to raise this amount of tax revenue by increasing the rate of income tax by a point or a fraction of a point.

Let us look at the result of such a move, and who would be hurt or helped. First, Canadians on very low incomes, including many retired people who are among the hardest hit, would not incur any cost at all since their incomes fall below the taxable level. Second, Canadians not entitled to any rebate, including industrial and office workers, and physically handicapped people, would pay a little more income tax instead of a little more in excise tax, and the net result there would be about the same. And the load would be shared more equitably since the amount would be determined by income level instead of by the number of miles driven to work or to the grocery store. Third, the effect on businesses would be about the same as for wage earners if the government decided to increase income taxes instead of taxing gasoline. That is, business would pay a larger and fairer share of the national revenue. Businessmen, after all, are taxpayers, too, and if Canada needs more revenue they should be required to pay their share.

Under the budget proposals contained in this bill the ten cents per gallon tax is a complete washout for corporations and for businessmen, no matter what their marginal rate of tax is. Because the ten cents per gallon paid at the pump is deductible in computing taxable income, the net cost to the businessmen at a 50 per cent marginal rate is an extra five cents. When the ten cents rebate is finally received it must be included as taxable income, and five cents income tax must be paid, leaving a net refund of five cents. Therefore, we can see a net five cents outlay and a net five cents rebate, bringing a washout effect. But of course the corporate bureaucracy will have grown in order to deal with the filing of claims for rebates and the general recording of and accounting for these additional and completely unnecessary transactions. This increase in corporate staff will, or course, be mirrored by the huge increases in the government bureaucracy which will handle its side of the collections, the administration, and rebates. Truly, the taxpayer will be the loser on all fronts.

My remarks today, Mr. Speaker, have been specifically directed to clauses 5, 6, 7 and 8 of Bill C-66. This is not meant to indicate any agreement on my part with clauses 2 and 3 which will increase the air transportation tax from 5 per cent to 8 per cent on flights to the United States, and will double the air transportation tax to $10 on flights to other countries. I might only point out that this can hardly be construed as an anti-inflationary move by a concerned government. And, as with the oil industry, the airline companies, already hard pressed by rising costs, will not receive any of the increases in the fares created by this tax.

Clause 4 is perhaps a small concession to the taxpayer. We find that, while dipping into the taxpayer's pocket for taxes on gasoline and air transport, the government will make it easier for the taxpayer to drown his sorrows. It will reduce the excise tax on wines by 20 cents or 40 cents per gallon, depending on alcohol content. Perhaps the only good thing about this bill may be that, under clause 4, the stronger the wine is and the more you drink of it, the more taxes you will save.

All the provisions of this bill give credence to the good intentions of the minister and the benevolent Liberal government. Their fault is in the execution of their aims, not in their desire to be big brother to all Canadians.

In order to convince Canadians what good fellows they are, the government has been trying to fool us into believing that the Liberals are a united party, the only truly national party in Canada. But now the official report on the 1974 election results, released last week by the Chief Electoral Officer, shows that the Liberal party led the pools in only four of Canada's 12 provinces and territories, whereas the Progressive Conservative party led in seven of those 12 jurisdictions. Furthermore, whereas the Progressive Conservatives came second in five jurisdictions, compared to the Liberal party's six second places, the government was embarrassed to finish third in one province and one territory. Furthermore, the Liberals can boast of holding the reins in only three of Canada's ten provinces. Without question these statistics show that the Progressive Conservative party is the only national party in Canada.

Excise Tax Act

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, the budget was introduced almost a month ago, and the budget has made necessary the introduction of this excise tax bill.

Last June 23 I personally experienced two apparently unrelated events here in Ottawa. For the first time in my life I paid 20 cents to use a pay telephone. Second, I saw the Minister of Finance (Mr. Turner) introduce a summer budget. These two events are very much related, of course, since both show Canada's extreme situation relating to inflation, the cost of living, and costs of production.

A month after budget day, the real blockbuster of that budget comes in Bill C-66, which of course is the new ten cents a gallon excise tax on gasoline used for personal consumption. I shall talk mainly about that aspect.

In my opinion, this tax is intended to be a straight revenue producer for the government. It remains to be seen how efficient it will be in view of the complex and expensive administration and refunding procedure which will need to be established. It will generate some $350 million in the remainder of the present fiscal year and thereafter will generate over half a billion dollars annually. This figure implies that some five and a quarter billion gallons of gasoline sold in Canada will be taxable under this new provision. Based on 1974 gasoline sales of seven and a third billion gallons, this means more than 70 per cent of gasoline consumed in Canada will be taxable in the personal or pleasure category.

● (2140)

Those entitled to a refund are estimated to be between 750,000 and one million people, but owing to multiple claims for refunds that are expected this year, this could total $170 million. That is approximately $1 refunded for every $3 collected. Surely it is a most inefficient and expensive tax to collect.

The government has already endorsed a single price system for petroleum products on a geographic area basis, whereas this bill establishes a two price system based on consumption. Therefore this will most certainly create additional burdens on certain sectors of the Canadian economy.

As we are now in the middle of our tourist season, this is where the first impact will be. In fact it is already being noticed. Already there are clear indications that Canadians who had planned a truly Canadian vacation by car have had to shorten their trip or re-route them to the United States where there is cheaper gasoline, cheaper lodging, and cheaper food. This is Canada's loss, of course, in more than just the monetary sense. It follows that this ten cents tax will definitely curtail our United States tourist friends from spending their vacations in Canada.

We in western Canada will feel the impact of this tax relatively more because of two main factors; less public transit, and longer distances that are travelled on the prairies, mostly by farmers. These longer distance costs should be allowed for in this bill, but they probably will not be. They will be included in the "personal use" category.

I want to give a personal example. From my home on my cattle ranch it is a 20 mile trip just to get my mail. There

are no rural deliveries. It is a 100 mile trip to do business in either Medicine Hat or Maple Creek, such as for groceries, haying supplies, or some emergency welding. There was a time when some of these trips were made with horses, but that is very seldom done now. My point is that under prairie conditions cars are a necessity, not a luxury. This tax could very well perpetuate regional inequities in our more sparsely populated areas.

Whether the tax will result in some energy conservation remains to be seen. I am inclined to agree with the Canadian Automobile Association when they suggest, and I quote:

> Imposing excessive taxation under the guise of energy conservation and forcing motorists to utilize public transportation is unacceptable. With 85 per cent of all passenger trips in all Canada undertaken by automobiles, and the majority of Canadians requiring their car for transportation to work, it is impractical to force Canadians into public transportation by economic sanctions.

I would add, especially on the wide open spaces out west.

There will be some reduced consumption of fuel, I am sure. After all, a ten cents per gallon increase is a record tax bite. It will get some results. However, if we are realistic we must realize that Canada cannot conserve enough to ensure adequate supplies for the future. That can only come from a vigorously stimulated exploration and development policy. The new budget will probably increase some exploration. However, one estimate of a $40 million release to the industry is only enough to drill one offshore well in the high Arctic.

The budget speech points out that Canadian oil export tax revenues have fallen off while oil import subsidies have risen, hence the need for this gasoline excise tax. The two are obviously related, but not to the extent suggested by the Minister of Energy, Mines and Resources (Mr. Macdonald) in his letter which appeared in last Saturday's Ottawa *Journal*. The letter is headlined "Oil firm's ads were misleading." The minister stated, and I quote:

> The ad, headlined "Here's where your money goes for those gasoline price increases", refers first to the 10-cent excise tax on a gallon of gasoline announced in the June 23 budget and proclaims: "100 per cent to the federal government."
>
> That is 100 per cent wrong. Not a penny of that 10 cents will go to the federal government. The purpose of the tax is to keep home heating costs down by permitting the continuance of the oil import compensation program. The revenue—all the revenue—from this tax will pass to consumers in Eastern Ontario, Quebec and the Atlantic provinces in the form of reduced prices for petroleum products, including home heating oil.

I am sorry the minister is not here tonight. I would be tempted to say to him "Come now, Mr. Minister, by the same token I suppose not a penny of my income tax goes to the federal government. It is just some sort of a miracle transfer to pay my share of federal welfare, unemployment insurance costs, pensions, and so on." I suggest a fair percentage of that ten cents will be required to pay the administration costs of this tax, and the government is collecting every cent of it. Who is misleading whom?

In summing up my comments on this ten cents excise tax portion of this bill I want to say it is the abruptness and the magnitude of the tax that stagger and hurt so many Canadians. As crude oil prices move up it is inevitable that gasoline prices must also move up some, but could not the tax have been staged a little more humanely, such as over at least two years? This ten cents blockbuster could very well stampede car buyers away from the bigger models to the compacts and the mini-compacts, and in so doing create undue problems in the auto industry.

If I may, I want to comment very briefly on some other aspects of the bill.

I should like to associate myself with many others in this debate who have commended the Minister of Finance on removing the 5 per cent tax on building insulation materials. At the same time I ask the very logical question: why not from all building materials? There never was a better opportunity to do something to improve the serious housing situation.

● (2150)

In addition I will mention one very specific and relatively small budget item—removing last year's excise tax on domestic wine. It is strange indeed that the minister should have zeroed in on this one item, both in the budget and in the bill before us, and that no mention at all should be made about the serious tariff and quota problems at the U.S. border involving the Canadian cattle industry.

I have a final comment relating to another very specific budget item—it may not be referred to in the bill before us, but I will mention it only briefly. The rate of return on government annuities is to be increased. This is very good news, of course, but it is news which is long overdue. Could the minister or, in his absence, the parliamentary secretary, announce very soon what the new rate will be? Will there be a COLA clause? Will this change be retroactive? I am getting letters concerning these three questions.

In conclusion I wish to say I fully support my leader's amendment to this bill giving it the hoist to you-know-where. I would urge hon. members on both sides of the House to go home to their ridings during the summer recess, whenever it comes, and learn the real grass roots impact of this measure by talking to their constituents about what Bill C-66 will do. I am referring mainly to the ten cents a gallon excise tax.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I consider it a privilege to enter this debate and speak in support of the amendment put forward by my leader some days ago to this bill, Bill C-66, which constitutes an assembly of financial arrangements resulting from the budget. The measures we are asked to approve will be of no benefit to the Canadian economy or to the Canadian people and their future welfare.

I think the budget, and Bill C-66 which emanates from it, are best described by an article which appeared in the *Globe and Mail* on June 24, the day after the budget was brought down. That paper describes it as a "tinkering budget". The heading reads: "The budget tinkers again". The writer describes it as a failure of leadership in a situation which has rapidly deteriorated. And it has deteriorated since then. Canadian affairs are in a state of decline. Indeed, I would not be at all surprised to see this country faced with a financial crisis before the snow flies in December. I hope this does not happen, but the general condition of our economy as reflected in the various departments and the various services the government is attempting to carry on presents a picture in which I can

see nothing but deficits and a very poor outlook. This is why I would not be surprised to see a financial crisis before the fall.

The *Globe and Mail* continues on a sad note:

—if the upturn ever does come, Canada, with first year new contract wage settlements averaging 19.2 per cent will simply not be in a position to compete.

This places us in a very sad situation. I continue to quote from this leading article:

The Finance Minister says he faced three dilemmas in shaping this budget—inflation, unemployment, energy. About inflation he does virtually nothing. His promise of federal spending cuts of $1 billion this fiscal year must be as suspect as all his other figures. He does not even promise to freeze the growth of an overgrown civil service; only to reduce its rate of growth.

I shall quote no further from this editorial except for the final sentence, which reads as follows:

What this budget says is that Canada is in deep trouble and virtually leaderless.

To my mind this is a sad situation for us to be in after the Canadian people have given the government such a generous mandate. I refer again to the phrase I quoted from the *Globe and Mail*—that Canada should be virtually leaderless.

We have the spectacle before us of a government which imposes a ten cents a gallon surtax on gasoline and in the same stroke of the pen removes the tax from wine. What could be more ridiculous? That is one for the books. May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CANADIAN ECONOMY—MINISTER'S ESTIMATE OF RATE OF GROWTH THIS YEAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I am very disappointed that this is the third time in a row when the Minister of Finance (Mr. Turner) has not chosen to appear in the House to defend himself after having misled the House.

Mr. Cullen: On a point of order, Mr. Speaker, may I say on behalf of the minister that he is attending the wake of the late hon. member for Glengarry-Prescott. That is why he is not in the House.

Mr. Deputy Speaker: Order. I would draw to the attention of hon. members that such exchanges are not in order during the adjournment debate. The hon. member has seven minutes in which to make his point, and the parliamentary secretary has three minutes in which to reply.

Mr. Stevens: I am sure the minister does have an unavoidable engagement but it would have been quite easy to ask that the debate which is to take place tonight be held over until another occasion when the minister could appear. I say this because I have stated three times in a row that the minister had misled the House. The situation to which I shall refer hon. members is one in which the minister, after being prodded twice, admitted he misled the House. I believe hon. members are entitled to have the minister appear and explain why he has misled them in the way he has.

The Minister of Finance is no longer credible. He has chosen to bring in budgets and make statements in the House without giving members the benefit of the forecasts upon which he is basing his statements and budgets. Let me refer to a question that I put to the minister in the House on July 18, as reported at page 7655 of *Hansard*:

● (2200)

As the minister has repeatedly stated that he has always been frank with the Canadian people, and in view of the anticipated high inflation rates, would the minister be frank enough to tell the House and the people what he anticipates will be the real rate of growth in Canada in the current year, a figure he gave in each of his four budgets for each year but not in his June 23 effort?

The minister replied:

If the hon. gentleman would read the budget speech carefully he would find that I estimated the rate of growth at somewhere between zero and one per cent.

At three o'clock that day I rose on a point of order to point out that no place in the budget of June 23 is such a statement made by the Minister of Finance, to which he replied that he would send me the reference. Again the following day I rose on a point of order to point out that I had not received the reference to which the minister referred, and suggested that perhaps under pressure the minister had mistaken his answer with a statement he made to the first ministers' conference, at which time he commented on the poor growth in the gross national product in the current year. At my second prodding the minister then admitted, as reported at page 7711 of *Hansard* for July 18:

Mr. Speaker, the hon. gentleman is perfectly correct. Those numbers were given in the speech I made at the federal-provincial conference which was tabled in the House by my parliamentary secretary, and the budget reflected those figures.

The fact is, Mr. Speaker, that the minister is wrong again. The figure that he gave on Thursday of last week of zero to one per cent real growth in the economy for 1975 was not the figure that he used at the federal-provincial conference to which he has now referred. Perhaps we can understand why it is that the minister has chosen to fail to give us an inflation rate for the country, and has failed to give us the unemployment rate anticipated by his department, and has now failed to give us the real growth rate, when we check the record of his previous forecasts. In short, we find that the minister has muffed every forecast that he has never given in a budget concerning real growth in Canada.

If hon. members review the May 8, 1972, budget they will find that the minister predicted in the 1972 year under review that the growth would be 6 to 6½ per cent; the actual growth was 5.8 per cent. In the February, 1973, budget which predicted that the real growth would be in the order of 7 per cent, it turned out to be 6.8 per cent. On

May 6, 1974, he stated that the real rate of growth would be 5 per cent higher in 1974 than 1973; the real growth was 2.8 per cent. In the November 18 budget, on which many members of the House spoke, the Minister of Finance predicted growth this year would be 4 per cent; we now find after the tabling of the budget on June 23 that the minister did not even have the courage to tell us on what real growth figures that budget was based.

The minister did not have the courage to tell us the figures because he knows that the figures are growing worse and worse month by month. According to the recent forcast of the Conference Board of Canada the gross national product in real terms is expected to decline by approximately .6 per cent in 1975 over 1974.

Imagine, Mr. Speaker, here we have a Minister of Finance assuring us on November 18 that the real growth in the economy of Canada in 1975 would be 4 per cent; he does not have the courage to tell us what it is going to be today; yet we find the Conference Board of Canada predicting a negative growth of .6 per cent. Having misled the House on two former occasions the minister has not had the courage to come to the House and explain why he so misled the members of the House.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, one is reminded of the saying that none are so blind as those who will not see. Here we have an example of the phrase, much ado about nothing. The minister conceded in the House that when he referred to the fact that the comments he made were contained in the budget speech they were contained in the papers that were tabled by me on his behalf in respect of the federal-provincial conference. There was no suggestion of hiding anything.

The question concerns the prospective real rate of growth in Canada in 1975. The Minister of Finance (Mr. Turner) said in this House on July 17 that he estimated the rate of growth at somewhere between zero and one per cent. The main forces in play were set out in the budget, but it may be helpful to the House for me to recall them and bring them up to date. When all the data is in, the rate of output in Canada in the first half of 1975 will almost certainly be recorded as smaller than it was on the average in the last half of 1974. But real growth in output is expected to resume in the second half of this year.

Much of the most important factor in the slowdown in real output in Canada has been the rather large and sharp recession abroad, particularly that in the United States. But now, with every passing day, the prospect of economic recovery in the United States and Japan in the second half of the year appears more likely, along with at least a cessation of the decline in output in western Europe. These are powerful forces working toward increase in the real level of Canada's exports in the second half of 1975.

The indicators of consumer confidence in Canada did not fall to anything like the low levels they reached in the United States in the last year; and they are now strengthening. Automobile sales held up remarkably well in Canada compared with the United States during the last nine months. There is every prospect that real demand for consumer goods and services will grow moderately over the next six months. In most recent months one of the depressing factors on production in Canada has been the correction of what had developed as an excess inventory position. The correction needed in Canada has been much smaller than in the United States, and the process of correction is well advanced. Accordingly, before the end of this calendar year at least moderate inventory rebuilding should be under way. Crop reports are reasonably good to date, though there are some worries about sufficient moisture to produce good harvests.

All these factors add up to a realistic prospect of positive real growth in Canada in the second half of the year, barring very severe work stoppages, and bad weather. With this second half growth to offset the real decline in the first half, we expect the year as a whole to show a rate of growth over 1974 of the order of one half of one per cent.

I do not think it was necessary for the minister to be here to make that statement again for the edification of the hon. member.

Mr. Stevens: It was never made before.

MANPOWER—OPPORTUNITIES FOR YOUTH AND STUDENT SUMMER EMPLOYMENT PROGRAMS—REQUEST FOR EXPANSION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on June 18 I directed a question to the Minister of Manpower and Immigration (Mr. Andras) relating to the fact that the unemployment rate for those citizens of Canada in the age bracket between 14 and 25 had reached serious proportions, particularly among students who were trying to find funds to increase their education.

I asked the minister whether he would take action in the immediate future to expand the programs which were already in existence under the student summer employment program for 1975. Naturally, Mr. Speaker, I appear here tonight in view of the fact that I cannot accept the answer given by the minister wherein he indicated that his government had considerably increased the allocation to the student summer employment program. Even though I must accept his answer to a certain extent, I cannot accept the statement that the government is doing everything possible to deal with the problem, particularly with the means available under the student summer employment program.

I want to refer to only two phases of the 22 programs designed to provide opportunities to Canadian youth. I refer to the cadet training program and the militia or reserve training under the Department of National Defence. Under these two programs some $700,000 will be allocated to cadet training, and $4.2 million to the reserve forces or militia training. I might say that the Government of Canada is prepared to allocate funds amounting to some $5 million, but it is ignorant of the fact that many thousands of our young people are denied the opportunity of taking advantage of the cadet and militia movement under the aegis of the Department of National Defence.

● (2210)

I might say, as an experienced advocate of the Department of National Defence, that I am sorry to see that the

Government of Canada in directing the Department of National Defence is not taking advantage of its capability of providing leadership, esprit de corps and comradeship even though the Minister of National Defence (Mr. Richardson) and the chief of our armed forces keep repeating year by year that the Department of National Defence will build up the armed forces of our nation in peacetime through the militia and the cadet services. But over the years nothing has been done, only lip service has been paid to the goal. Even though the government has the capability of providing leadership and instilling esprit de corps and comradeship in our youth, I can only say that more consideration should be given to providing greater initiative with the aim of building a better future for Canada. I ask the parliamentary secretary to reply to my question.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, like many other hon. members, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has been a strong advocate of the role that students could play in the summer program of the Department of National Defence. At the same time I have to say that he threw me a slight curve because his question tonight was initially directed to the Minister of Manpower and Immigration (Mr. Andras) and I think it is more appropriate that I respond on behalf of that minister. Perhaps he can put another question on another "late show" to the Minister of National Defence (Mr. Richardson).

The hon. member will recall that the question of growing youth unemployment and the possibility of increasing funds available to the OFY program in order to combat the problem was dealt with in the House on February 24, 1975. At that time the minister pointed out that a total of $67.1 million had been set aside for the federal government's Student Summer Employment and Activities Program (SSEAP), of which $27.5 million had been allotted to OFY, the largest recipient program.

The allocation to the OFY program, as with the allocation to the other components of SSEAP, was set after applying statistics of past demand and trends to the estimated youth employment situation. After a review of the allocation to the 1975 program in light of increases in the rate of student unemployment, an additional $13.4 million was allotted to SSEAP in an effort to compensate for such increases. Of these additional funds, $8.9 million was used to augment the OFY budget, allowing for the creation of 7,000 extra jobs under that program. With this considerable increase in funds, more than 250,000 student jobs have been created either directly or indirectly within the framework of SSEAP, a total of 27,000 of them within the OFY program.

With the instigation of such measures to deal with the problem of student unemployment, the minister is satisfied that the problem has been significantly alleviated, and no expansion of OFY or SSEAP is foreseen at the present time.

With respect to the comments of the hon. member directed to the Minister of National Defence, perhaps we can get together again some night, and I will have a good answer for the hon. member on that one as well.

Adjournment Debate

EXTERNAL AFFAIRS—GOVERNMENT POSITION ON ATTEMPT TO EXPEL ISRAEL FROM UNITED NATIONS

Mr. Bob Kaplan (York Centre): Mr. Speaker, this afternoon I asked the Secretary of State for External Affairs (Mr. MacEachen) what Canada's answer would be to the 50 states, members of the United Nations, who intend to seek to expel Israel from the General Assembly this fall. I wanted a clear statement from him of unwavering support for Israel, whatever the pressures. The minister has given Israel that support. He went on to tie his answer to the policy declaration of the government respecting admission of the Palestine Liberation Organization to Canada this fall to the scheduled UN crime conference which Canada is to host in Toronto. Wisely the conference is to be postponed until Canada is satisfied that a technical conference of the sort which this is intended to be will not be used as a weapon in the war to eliminate Israel.

The minister also committed himself and the government to contribute what he can by reducing tensions in the Middle East. The minister has taken the right course. I was surprised that the Conservative spokesman, the hon. member for Saint-Hyacinthe (Mr. Wagner), would try to minimize the role Canada can play in this matter. In effect he was belittling and downgrading the position of our country and the position we can take in resolving the tension in the Middle East. We of course are not the United States, we are Canada, but we are respected in the Middle East by all parties, and for our support in the past for the easing of tensions we deserve to be heard by the parties in the Middle East. As like all Canadians I look forward to an increasingly active role by the minister in that area of the world, and I hope the Conservatives will support him as will Canadians generally.

As one who called for the cancellation of the conference in Toronto this September I must say that I prefer the solution which the government has taken, a postponement until the UN atmosphere, in Canada's opinion, has improved. The government has not washed its hands of the UN or of the conference, in spite of the extent to which international politics and anti-Israel feeling have polluted it. Canada has drawn attention of the member states to a fact of which all Canadians are aware: to be effective, to be useful to its members, and to be worth preserving, the UN must return to its charter principles. These principles are respect for the integrity of member states, rejection of violence as a means of solving international differences, and universality of participation.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as mentioned in the House of Commons today by the Secretary of State for External Affairs (Mr. MacEachen), the position of Canada obviously is in favour of the principle of universality, and it will resist very vigorously any effort to change the status of Israel at the General Assembly.

The Next General Assembly of the United Nations will provide an opportunity to affirm the principle of universality as a fulfillment of what ought to be a basic aim of the United Nations. More specifically, we will resist any attempt to exclude Israel, or any other country, from the proceedings of the General Assembly. Acceptance of this principle would guarantee the status of Israel within the

community of nations and thus remove one cause of instability in the area.

Through new initiatives, both bilateral and multilateral, the government will try to improve the political situation in the Middle East and in the UN, notably through our participation in the next session of the General Assembly, which may be crucial for the future of the organization, given the fundamental character of the issues on which debates are expected to focus. Canada will consult with other interested countries on the ground rules governing technical discussions in UN arenas. Either independently or in co-operation with others, we will attempt to formulate and seek support for an effective resolution in the General Assembly on this question.

● (2220)

The Secretary of State for External Affairs also intends to accept during the autumn outstanding invitations to visit a number of countries in the Middle East. These visits, which the government already considered most useful for strengthening our relations with this region of the world, have taken a new urgency following the difficulties we encountered in holding the United Nations Congress on Crime Prevention. The House can be assured that the minister will take this opportunity to solicit the views of his hosts on these difficulties and seek their support for the United Nations as a universal forum and an effective international instrument.

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

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, July 22, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED UNILATERAL DECLARATION OF JURISDICTION OVER MARINE RESOURCES TO 200 MILES OFFSHORE—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of increasing evidence that the United States of America is moving steadily toward approving legislation extending its control over ocean fisheries to 200 miles offshore, and despite this nation's other responsibilities and preoccupations in the world scene, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the Minister of State (Fisheries), the Secretary of State for External Affairs and the Prime Minister of Canada pool their respective courage and resolve and, instructed by this House, at least make a decision to follow the United States in their very logical move to protect that nation's marine resources, since it is obvious that by its indecision, which this government has exhibited on the world scene, no one, particularly the nations with fishing rights, will take seriously any longer Canada's empty and platitudinous pronouncements, and it is only by following as usual in the wake of the United States that we can protect our own fishing industry.

Mr. Speaker: Under Standing Order 43 this motion requires the unanimous consent of the House before presentation. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC WORKS

PROPOSAL THAT DEPARTMENT BE GIVEN RESPONSIBILITY FOR DREDGING PUBLIC WATERWAYS—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the announcement yesterday by the Department of Public Works that a contract has been awarded to Dillingham Corporation Canada Limited for some $322,000 for dredging in the Lower Fraser River, in view of the fact that the vice-president of this firm is presently under indictment flowing from the investigations of harbour dredging scandals, and in view of the fact that practically all major companies are maintained by government dredging contracts and have been implicated in these investigations, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this government immediately proceed to give to the Department of Public Works full responsibility in the dredging of public waterways and that a moratorium be placed on further dredging contracts with private firms.

Mr. Speaker: Pursuant to Standing Order 43 the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

PROPOSED APPLICATION OF SOCIAL CREDIT PRINCIPLES TO COMBAT INFLATION—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an important matter of urgent necessity.

Considering that the cost of living has increased in the main urban centres in Canada between May and June, that since June 1964 the cost of living has gone up by 10.6 per cent in the Montreal area alone in comparison with 9.4 per cent in the Quebec City area, and since that staggering rise of prices has reached disastrous proportions threatening to destroy entirely our economy, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House enjoin the Minister of Finance (Mr. Turner) to consider without delay the policies advocated by the Social Credit Party of Canada to put an end to the devastation of inflation and further protect the purchasing power of all Canadian citizens.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

SOCIAL SECURITY

REQUEST THAT OLD AGE PENSIONS BE GRANTED AT AGE 60—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to move an important motion.

In view of the continuing discrimination against single or widowed people between 60 and 65 years of age, and considering that a great many do not get the necessary minimum income, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the House instruct the Minister of National Health and Welfare (Mr. Lalonde) to review his policies in that regard so as to make needy people 60 years old and over eligible for the old age security pension.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

PROPOSED REVIEW OF RESULTS OF LAW OF THE SEA CONFERENCE—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Secretary of State for External Affairs I have a question for the Acting Secretary of State for External Affairs. The Secretary of State for External Affairs having said on July 2 in the House that at some point the government intended to review the results of the Law of the Sea conference with the Canadian participants at that conference, I would like to ask the acting minister if he can tell the House whether this review has been started, whether a date has been set for the meeting with the Canadian participants and whether the review has been completed yet.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the Secretary of State for External Affairs is expected in the House momentarily. I think it would be better if the question were directed to him when he appears.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I had intended to ask questions of the same minister on a similar matter, so I should like to postpone my questions as well.

CANADIAN NATIONAL RAILWAYS

DISMISSAL OF MESSRS. CHO, CHEW AND McGUIRE BY CN TELECOMMUNICATIONS—REASON FOR FAILURE TO FOLLOW UNION GRIEVANCE PROCEDURE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Transport concerning a matter I raised yesterday with regard to Mr. Cho, Mr. McGuire and Mr. Chew, who were fired from Canadian National Telecommunications. Can the minister tell the House why, in firing these three men, Canadian National Telecommunications has chosen to overlook the union's grievance procedure, which states that an employee cannot be discharged until his case has been thoroughly reviewed and he has been advised of the reasons for the review?

● (1410)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I answered yesterday that I was inquiring into that case. At first sight this is a case which is worrying me very much but the hon. member gave me time to get in touch with CN, which I did. They are supposed to give me an answer. In my opinion, this has been done in a very awkward way.

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ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF SECURITY CHECK ON EMPLOYEES OF CN TELECOMMUNICATIONS—REQUEST FOR REPORT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, a supplementary question for the Solicitor General on the same subject. Can he confirm whether in fact the RCMP security division is running security checks on Canadian National Telecommunications employees, and if so, why this investigation is necessary?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have no information on that. After the hon. member's intervention yesterday under Standing Order 43 I asked for a report but I have not received it yet.

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AIRPORTS

PICKERING AND MIRABEL—CONTINGENCY PLAN FOR CO-ORDINATING ROAD INFRASTRUCTURE—POSSIBILITY OF MORATORIUM UNTIL ACCESS ROAD PROBLEMS SOLVED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Transport. Noting that the minister will meet with his Ontario counterpart in the near future to discuss the timing of the construction of road infrastructure for Pickering airport and noting that, although Mirabel airport is expected to open this October, there is also a lack of viable road infrastructure between the new and old airport and between Mirabel and Montreal, may I ask the minister whether his government has developed a contingency plan with a view to co-ordinating and integrating airport road infrastructure by the federal and provincial governments involved?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker.

Mr. MacKay: A supplementary question, Mr. Speaker. Is the minister considering a moratorium on Pickering and

Mirabel airports until the road infrastructure problems are resolved?

Mr. Marchand (Langelier): Yes, Mr. Speaker.

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[*Translation*]

AGRICULTURE

DAIRYING—REQUEST OF CANADIAN MILK COMMISSION TO INCREASE EXPORT PRICE OF POWDERED MILK—MINISTER'S POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

Last week, the Quebec Farm Producers' Association submitted to the minister a brief on the recent decision of the Canadian Dairy Commission to increase by 45 cents a hundredweight the price of powdered milk for export. Considering that this brief is apparently realistic and quite fair, and that it apparently rectifies an injustice of which producers are the victims, can the minister advise the House of his reply to this brief or say whether he has made up his mind about it, and what he intends to do to solve this problem?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we did receive a very good brief from the organization that the hon. member mentions. They made many suggestions and they are being considered.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have a supplementary question.

Considering the problems this is causing to dairy producers, as well as the urgency of the issue, can the minister advise the House whether he will introduce legislation to provide these producers with the revenues which were promised to them on April 1 of this year?

[*English*]

Mr. Whelan: Mr. Speaker, they know they are living within the agreement. The Canadian Dairy Commission is abiding by the agreement with the provinces. They have made several suggestions concerning measures to overcome this problem forcing them to take the lesser return for their products, which we also have certain reservations about, but because of world conditions and because the European community has dumped its skim milk products on the world market the price of skim milk product in Canada has been depressed. These are all being considered as are other suggestions that they have made. They made several suggestions outside their agreement that we are also considering.

IMMIGRATION

VIETNAMESE REFUGEES—LACK OF SECURITY SCREENING AT FORT CHAFFEE—SOURCE OF SECURITY INFORMATION OBTAINED

Mr. Jake Epp (Provencher): Mr. Speaker, may I put a question to the Minister of Manpower and Immigration. In view of allegations being made regarding the lack of security control in the screening of Viet Nam refugees at Fort Chaffee, Arkansas, would the minister explain why no RCMP officer was assigned to visa control at Fort Chaffee and in view of the lack of RCMP participation could the minister inform this House who provided Canadian immigration officers with security information that was required?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in the very early stages of the movement of Vietnamese refugees, as in characteristic of all refugee movements, certain examination criteria were relaxed in the interests of reuniting families in particular very quickly. Security measures were very shortly introduced, however, at all locations from which we anticipated applications. I would have to have more information from the hon. member on the exact time he is talking about. As of several weeks ago, security checks were being made where that is totally possible. In the meantime, as I indicated to the House on other occasions, in accordance with standard practice we brought in people on ministers' permits. This does not grant them landed status but gives them the opportunity to be re-united with their families. They can move quickly. At the same time, this procedure gives us time to make the necessary background checks and validate or otherwise their desirability or eligibility for landed status.

REQUEST FOR ASSURANCE VIETNAMESE REFUGEES NOT GRANTED LANDED IMMIGRANT STATUS UNTIL SECURITY REPORTS OBTAINED

Mr. Jake Epp (Provencher): A supplementary question, Mr. Speaker. In view of his answer, will the minister confirm that security checks are being done into the background of Vietnamese refugees who have been granted ministers' permits which are valid generally for one year, that the ministers' permits will not be extended and that landed immigrant status will not be granted before Canadian authorities have obtained security reports on those people?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with few exceptions, that is standard procedure.

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EXTERNAL AFFAIRS

PROPOSED REVIEW OF RESULTS OF LAW OF THE SEA CONFERENCE—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the statement he

made in the House on July 2, to the effect that at some point the government will review with Canadian participants the results of the Law of the Sea conference. Has this review started, has a date been fixed for the meeting or, in view of its importance, has the review actually been completed?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I undertook at the Law of the Sea conference to meet with the delegation upon the conclusion of the conference and to have that meeting in Canada. I have not yet summoned, called or convened such a meeting of the delegation. I intend to do so. However, as part of the over-all consultation on this question, I shall meet tomorrow with at least two of the provincial participants at the Law of the Sea conference, namely, the minister of fisheries for Newfoundland and the minister of fisheries for Nova Scotia. The purpose of that meeting will be to discuss the whole question of fisheries and their relationship to the law of the sea.

* * *

FISHERIES

POSSIBILITY OF ACHIEVING FORTY PER CENT REDUCTION IN ICNAF QUOTAS—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. I hope the Secretary of State for External Affairs does not think that because delay may have seemed appropriate yesterday, it is necessarily appropriate in this area. Has the minister reason to believe that the government of Canada can achieve the 40 per cent reduction in the ICNAF quotas in the September meeting, which I understand is to be held in Montreal? What specific reason has the minister to believe that Canada can achieve the objective which it failed to achieve in the earlier meetings this summer and spring.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, probably the Minister of State (Fisheries) is in a better position to judge the matter of the ICNAF meeting which will be held in September. I would prefer it if he would deal with that question.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, it was clear in the minds of our negotiating team—I have had a long session this morning, and will again meet this afternoon two of our ICNAF commissioners—that two meetings would probably be required before the 40 per cent reduction is accepted by many nations. We are now having bilateral discussions with some nations of ICNAF, and we hope they will see the necessity and wisdom of our proposals.

EFFECT OF CANADIAN POSITION ON 200-MILE FISHING ZONE ON ICNAF NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Will the Minister of State for Fisheries not agree that his bargaining position at the September conference, as was the case at the earlier conference, has been weakened by the indication of the Secretary of State for External Affairs that Canada will not resort to a unilateral declaration with regard to the 200-mile economic zone and that other fishing countries, knowing that Canada has committed itself to proceed through another Law of the Sea conference, are laughing at Canada all the way to the banks, if you will pardon the expression?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, if the Leader of the Opposition has interpreted our stance as being completely closed on the possibility of unilateral attainment of jurisdiction, he has not read the reports properly.

Mr. Stanfield: Yes, I have read it and it is clear.

* * *

● (1420)

EXTERNAL AFFAIRS

ALLEGED FAILURE OF LAW OF THE SEA CONFERENCE—REQUEST FOR STATEMENT BY MINISTER

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Secretary of State for External Affairs. On May 1 in the House the minister said he would consider my suggestion that if the Law of the Sea Conference failed, he would make a statement on motions outlining the position and action Canada would take as a result of the failure. Is the minister now prepared to make that statement on motions? Will he do that after he meets with the two provincial ministers tomorrow? I ask that this be done at the earliest possible date because the fisheries are dying a slow death.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I agree with the hon. member in his concerns about the state of the east coast fishery. However, I believe that my commitment to make a statement in the House or my undertaking to consider making a statement was fully discharged in the full day debate that we had on that question not so long ago and on which subject the House reached a decision. I would advise the hon. member that in my view the Law of the Sea Conference was not a failure, and that the single negotiating text which was produced at the conference met almost all of the significant objectives which Canada had in the field of fisheries. It would be wrong to describe it as a failure.

In the meantime, however, we as a government are considering as one of our options for future action the question of unilateral action. However, as the Prime Minister pointed out in answer to a question just recently, it would be misleading to the fishermen to hold out the expectation that a unilateral declaration would be an instant solution to the problems of the east coast fishery.

FISHERIES

PROPOSED INCREASED SURVEILLANCE BY DEFENCE FORCES—ACTION AGAINST FOREIGN VESSELS IGNORING ICNAF QUOTAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will direct my supplementary question to the Minister of State (Fisheries). In view of the fact that while these ongoing meetings are taking place the fishing industry is deteriorating to a state of oblivion, has the minister had consultation with the Minister of National Defence with regard to stepping up the surveillance capability? If so, what action is he going to take against foreign draggers that ignore our ICAF quota and continue to fish for our marine resources?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I believe there is a mood of total pessimism which has to be questioned. A major company on the east coast last week gave its financial statement for the last quarter, indicating that its profit position came from an improvement in landings. I also have information from some members of this House to the effect that landings in some areas of Newfoundland are good and that some fish are being turned away because the plants cannot process them.

Having said that, I continue to recognize that we must obtain jurisdiction off our shores. To this end, we are pursuing bilateral discussions with a good number of countries. We have already had discussions with the Norwegians, Americans and Mexicans. I would agree that also in the surveillance field we should all live within the rules of ICNAF. That does not mean we cannot increase surveillance. In fact, we have already indicated to National Defence that we desire this to be done.

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NATIONAL DEFENCE

POSSIBILITY OF ELEMENTS OF ARMED FORCES CONDUCTING SURVEILLANCE OF FISHING OPERATION AS PART OF TRAINING PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will direct my final supplementary to the Minister of National Defence. In light of recommendations made by certain high ranking officers in the Canadian army, will the minister consider, as part of the training formula, that elements of the Canadian forces provide surveillance activity on the east coast of Newfoundland as this is the season when the foreign draggers will be taking advantage of the fisheries off our coast? Further, will he consider increasing the Canadian forces militia in Newfoundland? I would venture to warn the minister that if this is not done, the fishermen will soon be taking action on their own.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the Minister of State (Fisheries) indicated, National Defence is providing full support to his department. But I will be glad to take into consideration the representations made by the hon. member.

FISHERIES

EFFECT ON INDUSTRY OF FAILURE TO IMPLEMENT COMPREHENSIVE RESOURCE MANAGEMENT PROGRAM—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of State (Fisheries). In light of the answer given by the Secretary of State for External Affairs, may I ask whether the hon. gentleman shares the view of the Chairman of the Food Prices Review Board that failure to implement a comprehensive resource management program immediately will have dire economic and social consequences for the future viability of both the fishing and the fish processing industries? If so, does the minister believe that continuing negotiations in connection with this important matter is the best way of dealing with the situation?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): I am glad that the Chairman of the Food Prices Review Board has read some of the speeches I have been making. I have been making the very point that extended jurisdiction is a very high priority, and we are pursuing this objective. As for continued conversations, it is obvious that even when we did declare, unilaterally, a 12-mile limit we immediately entered into discussions with the countries involved. What we are now doing is holding some bilateral consultations and we shall increase the level of these consultations with the countries involved in the North Atlantic, mainly, in anticipation of the extended jurisdiction. I consider this to be a very progressive step.

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EXTERNAL AFFAIRS

SUGGESTED UNILATERAL JURISDICTION OVER MARINE RESOURCES TO 200 MILES OFFSHORE—EFFECT ON EFFORTS TO CONSERVE FISH STOCKS

Mr. Edward Broadbent (Oshawa-Whitby): Bearing in mind that the government has pursued this matter by negotiation both at the conference which was held at Caracas last year and subsequently at the conference in Geneva this year, and that presumably it plans to continue doing so in New York next year, may I now ask the Secretary of State for External Affairs whether he does not consider it is time to assert our position on this issue in a unilateral way thus enabling the people of Canada to exercise jurisdictional authority for 200 miles off our coast so that we shall be able to deal with this matter?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): It is the last part of the question which shows the weakness of the hon. member's position, namely, his assumption that we shall be able to deal with the problem. It is not clear to me and it is not clear to the government that a simple declaration of unilateral action will, in fact, deal with the problem in the way which is expected. I believe that a candid exploration of the situation with fishermen and with Canadian citizens generally would help to disclose some of the risks attendant upon unilateral action. The hon. member might wish to consider this aspect. However, we have consistently stated that one of the options before the Government of Canada was

unilateral action. I can tell the hon. member that if I recommend such a course to my colleagues I would want to be certain that taking that course would bring substantial benefit within a reasonable period to the east coast fishery of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: Would the minister not agree that if the Government of Canada took the legal position that we have jurisdictional authority extending for 200 miles off the coast, the Minister of State (Fisheries) would be in a much stronger legal position to specify the amount of fishing that is to be done off our coast so that we could conserve our stocks of fish and be in a position to restore our seriously deteriorating fishing industry.

● (1430)

Mr. MacEachen: Mr. Speaker, the hon. member must obviously recognize that the current international law is not as he states it to be. The purpose of the negotiations is to change the international law in order to give the coastal states jurisdiction which is not enjoyed by the coastal states at the present time. What the hon. member is saying to me is that we should take the law into our own hands, and at some point it may be necessary to do that. But if it is necessary to do that, I want to be sure that it will bring substantial benefits to Canada and to Canadian fishermen and will not merely lead to simple rhetoric on the day of the announcement.

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[*Translation*]

ENERGY

POSSIBILITY OF CONDUCTING GEOTHERMIC RESEARCH AT ABANDONED MINE OF NORMETAL

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

In the report prepared by the task force on energy research and development recently tabled by the Minister of Energy, Mines and Resources one reads that the heat within the earth is another source of energy which may offer development possibilities, and that research should be done in such areas of Canada as would lend themselves to it. The minister doubtless is aware of the closing, last April, of the Normetal mine in Abitibi, and that the main shaft of that mine exceeds a depth of 8,000 feet. Would the minister point out that fact to the task force on energy development? It might consider that mine most important and easily accessible for research.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, to answer as detailed a question as that one, I shall have to look into the matter, after which I shall report to the hon. member.

[Mr. MacEachen.]

[*English*]

EXTERNAL AFFAIRS

PROPOSED ADOPTION BY HOUSE OF RESOLUTION UNILATERALLY DECLARING JURISDICTION OVER MARINE RESOURCES TO 200 MILES OFFSHORE

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to that posed by the Leader of the Opposition to the Secretary of State for External Affairs. In view of the fact that the Congress of the United States has before it legislation that will unilaterally declare a 200 mile limit for that country to protect its fishing industry, and in view of the fact that there is the impression abroad that Canada does not have the resolve or determination to take similar action, is the minister prepared, as one of the representatives of an east coast constituency and who presumably understands the question better than his predecessor, to place before the House a resolution by which the Parliament of Canada can show the world that the people of Canada are resolved to protect the interests of its fishing industry, which would provide the minister with the necessary muscle to put that option into effect?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer to that question is no, because one of his colleagues tried that approach a few weeks ago and the proposition was turned down flatly by the House of Commons, not by the United States Congress.

Mr. McGrath: A supplementary question, Mr. Speaker. It is precisely because the House rejected the resolution that we put forward, based on technical arguments advanced by the minister, that I am asking the minister, and through him the government, and especially the Minister of Regional Economic Expansion, whether the government would be prepared to lay on the order paper of the House of Commons a resolution by which the Parliament of Canada could express its concern over the depletion of our vital resources off the east coast as a consequence of over-fishing.

Mr. Speaker: Order, please.

* * *

HOUSING

REQUEST BY TORONTO LIMITED DIVIDEND TENANTS ASSOCIATION FOR RENT REVIEW PROCESS—GOVERNMENT POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Following representations by the Toronto Limited Dividend Tenants Association, is the minister now prepared to ensure input from the tenants into the rent review process between Central Mortgage and Housing Corporation and the landlord?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am not in the position to make a definitive statement but I have reached a decision with my officials today—

Mr. Nowlan: Hellyer wrote that five years ago.

Mr. Danson: —that there be a rent review process established for assisted housing under the limited dividend program, the details of which I am working out with the corporation, the landlords and the tenants association themselves. So that we will be having a rent review process in force shortly.

* * *

ENERGY

NATURAL GAS—INQUIRY AS TO GOVERNMENT ACTION IN VIEW OF ALLEGED MEMORANDUM INDICATING IMMINENT SHORTAGE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources regarding press reports of an internal memorandum from the National Energy Board supply panel indicating that the government has known for the past six months that we would face a natural gas shortage in the 1970s. What action has the minister taken in light of this information; and in particular, did he initiate any discussions with American authorities regarding the possibility of a phase out of gas exports, and did he have any discussions with the provincial governments regarding what measures could be taken to restrain consumer demand in this country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am advised that the document to which the hon. member refers was an internal memorandum prepared within the Energy Board, in effect summarizing the oral hearings and evidence which had been taken in the hearings that were conducted last fall on the question of gas supply, and that it was preparatory to the board's writing its final report which was tabled last week. I did not see the document in question, and since it was an internal communication within the board it would be subject to the final judgment of the board which was rendered in the board's report, the copy of which I tabled.

NATURAL GAS—EFFECT OF HIGHER PRICES ON SUPPLY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. It is surprising that a report as important as that was not conveyed to the minister. Since the recent National Energy Board report was prepared before the increase in the price of gas was announced, has the minister's department or the National Energy Board made an estimate of what effect a higher price will have on additional supplies; and because shallow wells may now become economically viable, whether or not this will have any effect on the date at which Canada will face an acute shortage of natural gas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I believe at this time it would be difficult to make anything in the nature of a reliable estimate about the amount of additional work which will be carried out. It is the government's belief that in general terms both the combination of an increase in price and a net back to the producers and also the adjustment of the taxation regime have created a favourable climate for further supplies in Canada. As to whether this is brought about will depend, of course, on the actual facts as they occur.

NATURAL GAS—REASON FOR FAILURE OF ENERGY BOARD TO ESTIMATE RESERVES IN MACKENZIE DELTA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. May I ask the minister why the National Energy Board, in its recent report, gave its own estimate of proven gas reserves in southern areas along with the estimate of the oil and gas industry, while in the matter of proven reserves in the Arctic it gave only the estimates of the oil industry? May I ask the minister whether the National Energy Board or his department has made an estimate of the gas reserves in the Mackenzie valley delta, and, if so, would the minister undertake to secure those estimates and to make them available to the House?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the board has consistently followed the policy of not establishing estimates for gas fields which are not yet accessible for use within Canada. In particular, it will not regard as reserves that which has not yet been connected up and could be used by consumers. Of course, the board report specifically says that.

At such time as the application for construction of the Mackenzie valley pipeline proceeds, this will be one of the principal questions upon which the board will have to take evidence and then arrive at its own judgment. The board, I take it, followed a practice which seems to me quite sensible, namely that it should not make up its mind as to what the reserves are prior to having heard all the facts on the question.

* * *

● (1440)

EXTERNAL AFFAIRS

SUGGESTION THAT MINISTERS BE PRESENT AT NATIONAL CONFERENCES RELATED TO THE ATLANTIC FISHERY

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, since in answer to a former question we have been advised that the House shall not be given an opportunity to debate the problem of the Atlantic fishery I should like to ask the Prime Minister if he and his Cabinet members would agree that there should be a ministerial presence at all times at the national conference which will relate to the Atlantic fishery so that those countries negotiating in respect of that fishery will understand the importance the government of Canada places on this question and the matter of protection.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will note the hon. member's representation.

Oral Questions

REGIONAL ECONOMIC EXPANSION

EFFECT OF CUTBACK IN SMALL CRAFT HARBOURS PROGRAM IN ECONOMICALLY DISADVANTAGED AREAS—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary for the Prime Minister. Notwithstanding the fact that there are 200 odd fishing vessels off Nova Scotia and the Bay of Fundy, and the fact that the Secretary of State for External Affairs obviously has some difficulty about a unilateral declaration of a 200-mile limit, could the Prime Minister please tell the House and the country if the question of regional disparity is still one of his prerogatives since he was reported as saying, according to a transcript from his own office:

It's going to hurt Canadians in various parts of the country in the sense that they won't have the benefits to grow as fast as they have been growing in the past.

He was referring to cutbacks. I should like to ask the Prime Minister if the cutback that has been announced of $10 million of the small craft harbours program is to be added to the difficult problem of the 200-mile limit which obviously affects those people in areas of regional economic disparity. Has the government changed its prerogative?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure to which prerogative the member is referring so I will have to say we have not changed it. But on the 200-mile limit to which the hon. member makes reference, I should like to give an answer which I think will appeal to the sense of fairness of the House and of all Canadians. Perhaps I should acknowledge the leader of the New Democratic Party, whose sense of fairness is not very well recognized.

Mr. Hees: Here comes that boiling point.

Mr. Trudeau: Mr. Speaker, I do not really need that help. I can wait for a moment. I wanted to refer to the answer given by the Secretary of State for External Affairs to the leader of the New Democratic Party on the 200-mile limit. I just want to remind the House that half a dozen European nations and others have exercised historic rights over what has been known for many hundreds of years as the high seas and a unilateral declaration of law as we see it would withdraw from these nations rights which they have been exercising, I repeat, for hundreds of years. That is the reason, when it comes to the matter of changing an international law, we find it better to get agreement. We think this is the way the laws between nations should be made. I think this is an argument the opposition should keep in mind.

Mr. Nowlan: Mr. Speaker, I appreciate in part the Prime Minister's response. My question was rather convoluted but no more convoluted than some of the answers from the Secretary of State for External Affairs about this very confusing situation. My point is, admitting the international difficulties—

Mr. Speaker: If the hon. member has a supplementary question perhaps he would put it.

Mr. Nowlan: I am certainly going to put it, Mr. Speaker. Even though there might be some irritation on the other side that we are sitting here on July 22 I intend to stand here until I put the question, so if members opposite will shut up I will put the question. I fully appreciate some of the answers of the Secretary of State for External Affairs and/or the Prime Minister's response, but my question to the Prime Minister is this: Because we have only had two main programs since 1968, bilingualism and regional disparity, I would ask the Prime Minister for a moment to forget about the 200-mile limit and explain why he is hitting at the small craft harbour areas of Canada on the east coast and the west coast which are areas of economic disparity.

[Mr. Trudeau.]

Mr. Speaker: Order, please.

Mr. Nowlan: Mr. Speaker, you may say "order" but I am going to say "order" too.

Mr. Speaker: Order, please. With the greatest respect to the hon. member I should say that, because of the importance of the subject, I have recognized almost exclusively questions about the east coast. I allowed a good deal of leeway on that subject. However, I suggest that rather than asking a question the hon. member is making a representation.

Mr. Nowlan: Mr. Speaker, the fact of the matter is I am asking the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Nowlan: I am trying to help the government. I am admitting that there may be some problems in declaring unilaterally a 200-mile limit and, therefore, I ask the Prime Minister why he does not revise the restraints in respect of the $10 million cut with regard to the small craft harbour areas of Canada on the east and west coast which areas are regionally depressed economically and are within the power of the federal government to help.

Mr. Trudeau: Mr. Speaker, I have explained that what the government has done in its restraint program has been to restrain the rate of growth of various programs.

Mr. Nowlan: They are not growing. They are dying.

Mr. Trudeau: We are not cutting the programs below zero. What we are saying is that the rate of growth of the various programs which make up our budget will be slowed down. I think in this we are joining the opposition and other people in a desire to restrain government spending. We are trying to do this in every possible area. This should not convey the impression that we are cutting out programs. We are modifying the rate of growth.

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HOUSING

LIMITED DIVIDEND PROJECTS—POSSIBILITY OF REVIEWING FIFTEEN YEAR MORTGAGE TERM

Mr. D. M. Collenette (York East): Mr. Speaker, my question is supplementary to that asked by the hon. member for Trinity and is also addressed to the Minister of State for Urban Affairs. Is the minister prepared to

review the minimum 15-year mortgage term for limited dividend projects in order to end the possibility of owners of these buildings receiving subsidized speculation by refinancing the mortgages after 15 years thereby freeing them of the obligation to provide low cost housing?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have not been giving that immediate consideration. The objective now is to see many of the limited dividend houses built and to make certain that the tenants living in them in the 15-year period when there is a limited rental agreement are satisfied that the rentals are fair and encourage the building of more rental accommodation. I believe the hon. member realizes that after the 15-year period the landlord then has the obligation to refinance. The financing no longer applies in that case, but if the government financing continues beyond the 15 years then of course our rental agreement will still remain in force.

* * *

GRAIN

ALLEGED FLUCTUATION OF PRICES CAUSED BY TRADING ON WINNIPEG AND CHICAGO COMMODITY EXCHANGES—POSSIBILITY OF INVESTIGATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the minister in charge of the Canadian Wheat Board. In view of the charges by the presidents of the three prairie wheat pools that in spite of the fact that there has been no basic change in the world demand supply picture for grains there are excessive grain price fluctuations being caused by trading on the Winnipeg and Chicago commodity exchanges, I should like to ask the minister whether, in view of those charges, he and his officials or the Canadian Wheat Board have made any investigation into this and whether or not there indeed have been excessive fluctuations as charged by these three presidents?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, so far as the Winnipeg grain exchange is concerned, my colleague the Minister of Agriculture just recently announced the appointment of a supervisor at that exchange so that inquiry certainly can be put to him. Of course, as the Canadian grain exported is not exported in effect through the medium of that exchange to any large extent it is therefore totally under the control of the Canadian Wheat Board. I would, of course, have no knowledge about the way in which the Chicago exchange is operating.

● (1450)

PROPOSAL THAT ALL GRAIN BE MARKETED THROUGH WHEAT BOARD—GOVERNMENT POSITION

Mr. Les Benjamin (Regina-Lake Centre): May I direct a supplementary question to the minister in order to put an end to the nonsense that goes on in commodity exchanges? Would he now accede to the unanimous request which has been made for many years by the three prairie pools and NFU, and now most recently repeated by Mr. Sneath, President of the Manitoba wheat pool in which he demands that all grains be marketed through the Canadian Wheat Board rather than through any exchanges?

Hon. Otto E. Lang (Minister of Justice): The decision as to whether or not grain is marketed using the exchange is one that is taken by the people handling the grain, and indeed those same gentlemen from the pools in their operations frequently use the exchange in the marketing of their product, so I find the statement slightly strange. The fact of the matter is that we attempted a year ago and two years ago to solve another problem, that is that there be a fair pricing arrangement in relation to grains throughout the country, and we adopted an open policy giving farmers throughout the country access to grain held by other farmers. That is now possible. If the exchange is used, it is a choice by the buyers, sellers, or their agents.

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[*Translation*]

FINANCE

NAMES OF PROVINCES OPPOSED TO EXCISE TAX ON GASOLINE—POSSIBILITY OF ABANDONING BILL C-66

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Is the minister in a position to tell us which provinces have officially objected to the special excise tax on gasoline?

Hon. John N. Turner (Minister of Finance): I shall have to look up the premiers' statements to give the hon. member a specific answer.

Mr. Matte: Mr. Speaker, I have a supplementary question.

Since Bill C-66 has come to a deadlock, would the minister tell us whether he intends to abandon this bill or move closure pursuant to Standing Order 75?

Mr. Turner (Ottawa-Carleton): I believe the proposal put forward by the hon. member is somewhat academic.

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EXTERNAL AFFAIRS

POSSIBLE RENEWAL OF MANDATE OF UNITED NATIONS EMERGENCY FORCE IN SINAI—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Since Egypt announced more than one week ago its refusal to consent to the renewal of the mandate of the United Nations emergency force in the Sinai, has the minister discussed with other governments concerned, particularly with the Secretary General of the UN, at their meeting last Friday, the future of this emergency force, and does he not see there an opportunity to show initiative?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker. In reply to the question of the hon. member, may I say that the subject was discussed with the Secretary General last Friday. It is my expectation that following the determination of the Security Council, it may be that a renewed mandate will be possible for the force in the Middle East. At least, that was the atmosphere which prevailed in New York on Friday.

* * *

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. Inasmuch as the hon. member for Leeds is now at home recovering from his recent cardiac attack and the hon. member's physician has recommended swimming as part of his rehabilitation, and inasmuch as no man can live on "43s" alone, would the right hon. gentleman consider letting the hon. member for Leeds use the pool at 24 Sussex Drive to aid his rehabilitation and hasten his return to the House?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I will even let him use some of the sundries, the cost of which he has been seeking to know.

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PENITENTIARIES

SPRINGHILL—POSSIBILITY OF ENLARGING EXISTING INSTITUTION OR ESTABLISHING NEW ONE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, further to questions that were posed by my leader to the Prime Minister yesterday regarding the devastation that has just about obliterated the business district in the town of Springhill, I would like to ask a specific question of the Solicitor General. In view of the fact that when the 1958 disaster occurred in Springhill the federal government stepped in and gave stability and viability to the economy of Springhill through the establishment of a penal institution there—two of them, as a matter of fact—could the Solicitor General indicate if he could reorientate his thinking and that of his department to try to enlarge the medium security penal institution there and employ more people or establish a minimum security institution there so as to give the business community some incentive to reestablish the businesses that were destroyed by the fire.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the Minister of Regional Economic Expansion discussed this with me yesterday. I told him that under the new program of construction in the pentitentiary service we are moving to smaller institutions, so it is not likely that we would increase the size of the present institution in Springhill. But I told him we would look at the possibility of locating one of the newer, smaller institutions there, and the officials are looking at that possibility.

UNEMPLOYMENT INSURANCE

EFFECT OF REGULATIONS ON THOSE TAKING COURSES TO IMPROVE QUALIFICATIONS—GOVERNMENT ACTION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister in charge of the Unemployment Insurance Commission. In view of the fact that many persons who try to better themselves by taking courses find their UIC claim terminated due to the "four week nil pay" regulations, will the minister look into the possibility of correcting this discrepancy in the act which penalizes those who are honestly seeking to improve their qualifications for a job?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the whole question of the relationship of training and improvement to the ability to find jobs, or better jobs, is part of the review we are undertaking in connection with the act and part of our manpower policy.

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AIRPORTS

REQUEST FOR NO FURTHER DELAY IN PICKERING PROJECT IN ORDER TO EASE NOISE PROBLEMS AT MALTON

Mr. Jim Fleming (York West): Mr. Speaker, my question is for the Minister of Transport. Considering the fact that the residents of northwest metro Toronto, involving half a dozen federal constituencies, have waited since 1968 for relief from the ever increasing airport noise problems, and those same residents tolerated a further two year delay in the airport inquiry confirming the need for Pickering, can the minister assure the people in the Malton area that he will not allow the government of Ontario to cause any further unnecessary delays—

An hon. Member: Where are you from?

Mr. Fleming: I represent my constituents and I would appreciate it if the opposition would allow me a chance to speak on their behalf.

Some hon. Members: Hear, hear!

Mr. Fleming: Can I have the assurance—

Some hon. Members: Oh, oh!

Mr. Fleming: You see the opportunity which they give to other parts of Canada. Can I assure my constituents that the federal government will not allow the government of Ontario to cause any further unnecessary delay but will force immediate and frank talks about the facts at Malton and Pickering?

Some hon. Members: Hear, hear!

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that the people from the Malton area have been promised that there would be no extension of runways in Malton. As long as I am Minister of Transport there will be no such extension. However, that does not

mean there will be no extension in facilities, but so far as runways are concerned, no more runways will be added.

PICKERING AND MIRABEL—POSSIBILITY OF MORATORIUM UNTIL ACCESS ROAD PROBLEMS ARE SOLVED

Hon. Jean Marchand (Minister of Transport): While I am on my feet, Mr. Speaker, may I say that in the second question put by the hon. member for Central Nova I thought he was only referring to Pickering. He later told me in an exchange of notes that he was referring to Pickering and to Mirabel. My answer would have been that there is a moratorium until I meet with Mr. Rhodes, and that is only on Pickering.

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EXTERNAL AFFAIRS

POSSIBILITY OF EXTENDING BORDER BETWEEN CANADA AND UNITED STATES UP TO 200 MILES OFF WEST COAST

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I am glad the west has been recognized because Canada has a west coast as well.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): My question is supplementary to the series initiated by the Leader of the Opposition and it is addressed to the Secretary of State for External Affairs. Has the minister made any proposals to U.S. authorities relating to the manner in which the boundaries will eventually have to be extended between Canada and the United States up to the 200 mile limit or to the edge of the continental shelf, whichever might be the case, on the east coast and on the west coast? May I just remind the minister that there are two boundaries on the west coast, one in the north and one in the south.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would like to take the question as notice.

* * *

● (1500)

[*Translation*]

FISHERIES

EXTENSION OF CANADIAN JURISDICTION TO 200 MILES OFF WEST COAST—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary for the Minister of State (Fisheries).

I would like to know whether the minister ensured that the conclusions drawn from research made on migration and on the spawning grounds of commercial fish by his department will be fully taken into account when defining the frontiers between the Canadian and American fishing zones, when extending both jurisdictions to 200 nautical miles, and in particular whether the Juan de Fuca Canyon and the bank named La Pérouse, on the west coast, will be under Canadian jurisdiction.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am pleased to hear the hon. member's question, all the more so because when discussing jurisdiction we must not forget there are two oceans, namely the Pacific and the Atlantic. Any oversimplified solution such as "unilateral declaration", which is proposed for demagogical reasons or any other, must take into account the grave implications on salmon which does not recognize jurisdictions be they over 200 miles or elsewhere.

As for the specific question of the hon. member concerning the procedures for the extension of the zones lying between us and the Americans, it goes without saying that this must be considered through bilateral negotiations which are already intricate enough with respect to salmon interception. But I trust that with a friendly country like the United States it will be easy to come to an agreement.

[*English*]

Mr. Stanfield: Mr. Speaker, I rise on a point of order. On Friday last I gave notice that I intended to raise a point of order relating to the answers I had been receiving with regard to the policy of the government on nuclear reactors. I deferred pursuing the point until the Minister of Energy, Mines and Resources (Mr. Macdonald) was back in the House, since he is involved in this question along with the government House leader. On June 27 I questioned the government House leader about the contract with Argentina and I said:

Is it the position of the government that the contract for the Cordoba nuclear generating plant—

That is the Argentinian plant.

—made provision for subsequent negotiation of safeguards—

In reply, the government House leader said:

—the answer to the first part of the question is yes, the contract is subject to a bilateral agreement on safeguards.

Later, on the same day, the same minister said the following:

I am informed there is no doubt about the fact that the fulfilment of the contract itself depends upon a bilateral agreement on adequate safeguards.

In the House, some days later, on July 16, the Minister of Energy, Mines and Resources was asked:

Was there any provision in that contract negotiated with Argentina in 1973 requiring subsequent negotiation of safeguards, other than the agreement to be negotiated with IAEA—

The Minister of Energy, Mines and Resources replied:

No, sir, that contract was just according to the then general safeguard policy of Canada, namely, the international standard ... the additional standards for the completion of the Argentine contract have been, if you like, unilaterally imposed by Canada at a subsequent date.

Indicating that the answer given to me earlier by the government House leader in his capacity as Acting Secretary of State for External Affairs was clearly misleading. Then the Minister of Energy, Mines and Resources was asked on July 16, the same day, the following:

—what safeguards the Canadian government is now seeking in respect of this Argentina project?

Safeguards which were not in the original contract. The Minister of Energy, Mines and Resources said:

At that time—

In 1973.

—the international standards did not provide for restriction on explosions expressed to be for peaceful rather than weapons purposes. Canada decided as a matter of principle, subsequent to the Indian explosion, to put on a higher level of standards which were set out in the statement I made—

Indicating that the additional safeguard being negotiated with Argentina now is the prohibition of the use of any Canadian facility or reactor or materials provided to Argentina and the restriction that these could not be used by Argentina or by any other country even for peaceful explosions. But I find that the Secretary of State for External Affairs (Mr. MacEachen) tabled an exchange of letters which together constitute the contract between Canada and Argentina on September 10, 1974, which reads in part as follows:

In view of Canada's obligations under the Non-Proliferation Treaty, it is Canadian export policy that all material, nuclear material, equipment, facilities and technology supplied from or by Canada will be used only for peaceful purposes and will not in particular be used for the development or manufacture of any nuclear explosive device.

It seems as if this exchange of letters which constituted a supplementary contract back in September of 1974 had already covered the point which the Minister of Energy, Mines and Resources told us was the sole additional safeguard which Canada is now trying to negotiate with Argentina.

With regard to this Italian business, on July 9 the Minister of Energy, Mines and Resources indicated to me in the House, in response to a question, that Canada was retaining a right of veto on any sale which might be made anywhere in the world by the Italian licensee. The minister found he made a mistake and he quickly corrected that. The next day, in response to a question in the House, he told me that any sale made by that Italian licensee would be subject to the Canadian standard of safeguards. That is what the minister said in the House.

Yesterday, I asked the Secretary of State for External Affairs whether that was a correct statement which the Minister of Energy, Mines and Resources had made and he said he did not know, that he would have to verify it. I think there is enough confusion in the nuclear policy of the government already, fundamentally and intrinsically, without more being created by these misleading and evasive answers we have been receiving on this subject.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, the statements as set out by me with regard to the safeguards policy are entirely correct. They are not at all misleading. I suggest that if there has been any misleading attempted here, it has been by the Leader of the Opposition (Mr. Stanfield)—

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): —who was trying to juggle answers and dates in such a way as to pretend that what happened before happened afterwards in that respect. I would point out that as the government House leader, the President of the Privy Council (Mr. Sharp) acting as Acting Secretary of State for External Affairs, said, there was a bilateral agreement entered into between the IAEA and Argentina and this was stipulated for by the contract, which is exactly what the hon. gentleman had said and I hope the Leader of the Opposition will not try to distort the record by pretending it is anything else.

With respect to the Italian contract, I indicated in the first place that, as I had said on December 20, 1974, of course Atomic Energy of Canada had been authorized to enter into negotiations with the Italian company, that those negotiations are approaching completion, that the company, Atomic Energy, is required to come back to the government with a draft of the proposed agreement to obtain our approval, but that in any event, as stipulated by the safeguards statement on December 20 of last year, any such contract between AECL and the Italian company will be subject to the Canadian safeguard requirements.

● (1510)

In particular, there will be the treaty between the government of Italy and the government of Canada stipulating the limitations imposed upon any Italian company operating within Italy, and also stipulating that in the event of a sale by the Italian company of the Canadian technology to any other country, Italy will be required to get a safeguards agreement of the same standards, including international inspection, as we as Canadians require of the Italians. In other words, for the Italians to be able to licence technology to anyone else, they will have to secure from the buyer exactly the same standards as we secure from them.

In summary, we set up in quite succinct terms the limitations that we as Canadians are going to impose upon the sale of uranium, upon the sale of equipment, including the CANDU reactor, and upon Canadian technology whether or not accompanied by equipment to other states either for their own use or for resale. The restriction is that whether it be for explosive purposes, whether stated by that country, for peaceful purposes or indeed for non-peaceful purposes, the Canadian equipment, technology and uranium may not be used for that purpose. For this purpose we will seek country to country treaties of the kind tabled by the Secretary of State for External Affairs (Mr. MacEachen) to protect this requirement.

A final statement I would make with regard to the Argentine contract is that discussions are proceeding. They are related to further safeguards with respect to reprocessing of the spent fuel from a CANDU reactor within Argentina or the transfer of either spent fuel or technology outside of Argentina to any other country. The completion of that particular requirement of the government of Canada will be precedent to the further performance of Canada under this contract: that negotiations now under way to their successful completion to our satisfaction remains, in our view, a prime condition of our performance, and that nuclear transfers will not go through unless those Canadian standards are met.

Mr. Speaker: The hon. Leader of the Opposition (Mr. Stanfield) has raised, of course, a question of debate as to differences and discrepancies in points of view. It is really a non-point of order, and it has been contributed to equal-

ly by both sides. I think we should now move on to something else.

Mr. McGrath: Mr. Speaker, I raise a point of order in the interests of the fishing industry which is now in a state of crisis. The Minister of State for Fisheries (Mr. LeBlanc) inadvertently, I am sure, misled the House when replying to a question—based upon lack of knowledge of the facts—when he referred to fish having to be dumped overboard at the present time because fish processing plants were unable to receive them.

If the minister knew what he was talking about, he would know that this particular phenomenon happens every year. It refers to the trap fishery, which is of very short duration—just a few months—and occurs at a time when the fleet moves close to the shore. It has nothing to do with the decline in fish stocks. We are faced with the paradox that at a time when the fishery resources are declining because of overfishing by foreign fleets, we see thousands of pounds of fish from trap fisheries dumped overboard because of the failure of the minister and his predecessors to provide proper, refrigerated holding units.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, if I misled the House, it was not intentional. It had been reported to me by the hon. member for Gander-Twillingate (Mr. Baker) that the plants in his area were not able to handle some of the fish being landed, which were quite plentiful. I would point out to the hon. member that if members of his own party, in this case the government of Newfoundland, had spent as much energy working for the development of holding facilities as all Atlantic provinces should have, we would be in a much better position to handle fish for food instead of fish for meal. I think he should relay that message to Premier Moores, if he has reached Newfoundland after his visit to Ottawa yesterday.

Mr. Reynolds: Mr. Speaker, I rise on a point of order regarding a question I asked yesterday in the House. The minister said it was a very serious question and he wanted to discuss it with the Prime Minister (Mr. Trudeau) and the cabinet. In the morning I telephoned the minister's office and gave him notice. At nine o'clock in the morning I telephoned the offices of the Minister of Communications (Mr. Pelletier) and the Solicitor General (Mr. Allmand) to make sure we would get some answers, because we were led to believe that matters of national security were at stake and also some very serious unfair labour practices.

I think this House has a right to know when we are going to get an answer. We got the same answer today: they have not had a chance to check into it. What does a private member have to do to get an answer? You cannot be more fair than giving notice ahead of time. The minister is still saying he has not had time to check, however. Three men have been fired and branded as security risks, and the minister is taking it lightly.

Mr. Speaker, I have just been informed by the Chair that I will be on the "late show" tonight. I hope the minister will have a better answer, or I will have to take up more time of the House. This is a serious matter and we are not getting answers.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

TABLING OF REPORT TO CANADIAN EGG MARKETING AGENCY

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, under Standing Order 41(2) I wish to table, in both official languages, a report to the Canadian Egg Marketing Agency prepared by P. S. Ross & Partners, dated July, 1975.

* * *

FISHERIES

PETITION FROM NEWFOUNDLAND REQUESTING GOVERNMENT ACTION TO PROTECT MARINE RESOURCES TO EDGE OF CONTINENTAL SHELF

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the thirteenth report of the Clerk of Petitions, stating that he has examined the petition and finds that it meets the requirements of the Standing Orders as to form.

* * *

NATIONAL CAPITAL REGION

CONCURRENCE IN THIRD REPORT OF SPECIAL JOINT COMMITTEE

Mr. Ralph Stewart (Cochrane) moved that the first report of the Special Joint Committee on the National Capital Region, presented to the House on Friday, July 18, be concurred in.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,853, 2,249, 2,341, 2,434, 2,545, 2,586, 2,690, 2,691, 2,768, 2,786, 2,830, 2,837, 2,848, 2,849, 2,850, 2,874, 2,879 and 2,907.

Mr. Speaker, if question No. 2,409 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions Nos. 2,395 and 2,910?

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

Order Paper Questions

[*Text*]

RURAL AND NATIVE HOUSING PROGRAM

Question No. 1,853—Mr. Marshall:

1. Since the inception of the Rural and Native Housing Programme (a) what has been the total budget (b) how much was spent for new construction in each province under the (i) rural component (ii) native component?

2. (a) How much has been allocated for the Programme in the 1975 budget (b) how much to each province?

3. What amount was expended in each province in 1974-75 under the residential rehabilitation aspect of the Programme?

4. What amount has been allocated to Newfoundland during the current fiscal year for the residential rehabilitation component of the Programme?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. (a) In 1974, the allocation for Rural and Native Housing in the Capital Budget of CMHC was $62.3 million. (b) See Table 1 following. Data are not available to enable a differentiation to be made between the Rural and the Native component.

2. (a) CMHC, for 1975, initially allocated $49.2 million for loans and $8.9 million for grants for the Rural and Native Housing Program. (b) Funds for programs under the National Housing Act are also allocated provincially, for the purposes of internal guidance and control subject, in certain cases, to formal agreements with provincial agencies. Such allocations are not published, since fluctuations in activity arising from changing demands for funds, among programs and provinces, requires that they be flexible.

3. See Table 2 following for loans approved in total for Residential Rehabilitation. Note: The fiscal year of CMHC is the calendar year.

4. See 2(b) above.

Table 1.

New Housing Approved Under the NHA [1]
Rural Areas[2], by Province, 1974

Province	Number of Loans	Number of Units	Number of Hostel Beds	$000
Newfoundland	539	539	—	6,101
Prince Edward Island	39	85	—	1,622
Nova Scotia	256	936	119	18,507
New Brunswick	86	126	—	2,444
Quebec	373	393	14	7,914
Ontario	213	413	157	11,489
Manitoba	12	107	26	2,794
Saskatchewan	41	271	—	3,949
Alberta	8	8	—	193
British Columbia	151	343	—	8,765
Yukon	1	10	—	378
Northwest Territories	—	—	—	75[3]
Canada	1,719	3,231	316	64,231

[Mr. Reid.]

[1] Includes Homeownership and Rental (Section 58), Low Rental (Section 15), Non-Profit (Section 15.1), Assisted Homeownership (Section 34.15), Public Housing (Section 43), Federal-Provincial Housing for Sale (Section 40), Indians on Reserves (Section 59).

[2] Excludes incorporated cities, towns and villages, and the fringe rural municipalities of metropolitan areas and urban agglomerations.

[3] Increase in a loan approved initially in an earlier year.

Table 2.

Grants Approved for Emergency Repairs,
NHA Part V, 1974

Provinces and Territories	Amount $000
Newfoundland	300
Prince Edward Island	10
Nova Scotia	72
New Brunswick	195
Quebec	850
Ontario	322
Manitoba	300
Saskatchewan	—
Alberta	250
British Columbia	300
Northwest Territories	200
Yukon Territory	153
Canada	2,952

DEFENCE CONSTRUCTION (1951) LTD.—POSSIBLE TRANSFER TO D.P.W.

Question No. 2,249—Mr. Herbert:

With reference to the answer to Question No. 1,356, for what reason is the Department of Public Works unable to provide a quick response capability?

Hon. C. M. Drury (Minister of Public Works): The decision respecting the location, organizationally, of Defence Construction (1951) Ltd. was based on the judgement that a quick response capability was required within the Department of National Defence. The decision did not imply that the Department of Public Works was unable to provide a quick response capability, but reflected a considered judgment at the time that the objectives of the Department of National Defence would be more effectively met through organizational integration.

FRENCH CIVILIANS IN CANADA

Question No. 2,341—Mr. Schumacher:

1. With reference to the answer to Question No. 1,273, for what reason (a) is information not available on the exact number of military-age French civilians making application to come to Canada rather than complete compulsory two-year military service in France (b) are statistics not available for the Province of Quebec (c) is information not available on the number of applications (i) pending (ii) refused?

2. With reference to the answer to (a) Part 3(a) which states "Nine of the 37 are employed by the Government" and the listing shows 10, what is the correct number and where is each employed (b) Part 2 which states 10 were resident in the Province of New Brunswick, yet the breakdown shows 9, what is the correct number and where are they located (c) Part 2 which states that 22 are resident in the Province of

Ontario, yet the breakdown shows 23, what is the correct number and where are they employed?

3. By department, what is the cost for (a) salaries (b) allowances (c) unemployment insurance (d) travelling expenses in respect of French civilians employed by the government under the France-Canada agreement since the inception of the plan to date?

4. Since the inception of the France-Canada agreement, how many French civilians in Canada have drawn or are drawing unemployment insurance benefits and, in each case (a) where are they located (b) what is the period of unemployment?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of External Affairs is concerned: 1. (a) Information is not available because applications from French civilians to participate in this programme are not made to the Canadian Government. Would-be employers contact the appropriate French agency which in turn submits a list of civilians with the necessary qualifications and who wish to come to Canada. (There are approximately 100 participating countries.) (b) The answer to Question 1,273 was submitted on the basis of information provided by the Embassy in France. It is understood that about 50 French civilians will arrive in Quebec in 1975.

2. (a) The correct answer is nine. The Economic Council of Canada (one civilian) was listed twice in error. (b) There are 10 civilians in New Brunswick as listed in the answer to Question 1,273: 3a: 1; 3b: 5; 4a: 2; 4c: 2; for a total of 10. (c) The exact number is 22 (for the same reason as indicated in 2(a) above).

In so far as the Department of the Secretary of State is concerned: 3. (a) Salaries, $171,901.; (b) Allowances, $41,248.; (c) Unemployment Insurance, nil; (d) Travelling Expenses, $22,200.

In so far as other departments are concerned: 3. (a to d) The information is not available.

In so far as the Unemployment Insurance Commission is concerned: 4. The Commission does not maintain such statistics.

*LEGAL AID RETAINED IN CONSTITUENCY OF SIMCOE NORTH

Question No. 2,395—**Mr. Rynard:**

For each year 1971, 1972, 1973 and 1974, what amount was paid to members of the legal profession in the Constituency of Simcoe North by the (a) Department of Justice (b) Department of National Health and Welfare (i) Health Protection Programme (ii) Food and Drug Programme (c) Veterans Land Act Administration (d) Central Mortgage and Housing Corporation (e) Solicitor General and, in each case, what was the name and address of the lawyer?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): This answer is in the form of a series of columns. I wonder if it would be permissible to append it as if it had been read?

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above answer follows.*]

Mr. Reid: I am informed by the Department of Justice and the Central Mortgage and Housing Corporation as follows: 1971, 1972, 1973, 1974, (a) None; (b), (c), (d) and (e), see list following:

		1971	1972	1973	1974
(b) Department of Health and Welfare					
(i) Health Protection Programme					
Bingham, W. G.	(Orillia)	$ 2,000.00	$ 1,632.35	$ 3,177.00	$ 7,850.65
Cleary, T. P.	(Barrie)	Nil	Nil	Nil	421.00
Clegg, George	(Barrie)	Nil	Nil	970.00	900.00
Elliott, A. R.	(Barrie)	Nil	Nil	Nil	3,095.00
Haig, D. C.	(Midland)	1,665.90	760.00	5,268.20	8,377.50
Kendall, E. B.	(Midland)	176.10	Nil	Nil	Nil
Myers, E. J.	(Barrie)	Nil	371.50	9,286.00	6,511.60
Owen, B. A.	(Barrie)	4,136.42	5,513.33	436.62	6,872.72
(ii) Food and Drug programme		Nil	Nil	Nil	Nil
(c) Veterans Land Act Administration					
Moorby, J. W.	(Barrie)	820.00	Nil	Nil	Nil
Wilson, Graham & Co.	(Barrie)	2,674.00	5,961.00	3,963.00	10,178.00
Clegg, George	(Orillia)	997.85	Nil	2,845.00	13,561.59
Owen, Bruce A.	(Barrie)	7,456.00	4,805.00	287.00	824.00
Cowen & Cowan	(Barrie)	1,454.00	92.00	Nil	Nil

(d) CMHC retained the lawyers listed below to handle mortgage documentation for loans approved in 1971 to 1974 in the Eastern part of Simcoe County. (Townships of Adjala, Essa, Flos, Innisfil, Matchedash, Medonte, Orillia, Oro, Tay, Tecumseth, Tiny, Tosorontio, Vespra, West Gwillimbury.)

1971—
1972—
1973—
1974 R. Noel Bates—Barrie
C. L. Wilson—Barrie
E. B. Kendall—Midland
W. Griffith Bingham—Orillia
Norman L. Booth—Orillia

Legal fees in connection with Central Mortgage and Housing Corporation direct loans are paid by the borrowers, and CMHC, therefore, has no record of the amounts paid to these lawyers.

The following lawyers were retained to handle legal actions from 1971 to 1974 for loans approved in the Eastern part of Simcoe County.

1971—1974 D. J. Sugg, Barrie

Where actions are settled prior to trial, the costs are paid by the borrower and CMHC has no records of the amounts.

The basic geographical units for the compilation of CMHC data are the municipality and county, and not Federal electoral constituencies. The date are governed by individual loans approved under the various sections of the National Housing Act, and not by the places of business of those who provide professional services.

	1971	1972	1973	1974
(e) Solicitor General	Nil	Nil	Nil	Nil

SUPPLY AND SERVICES—BILGE CLEANERS

Question No. 2,434—Mr. Forrestall:

1. What is the wording of all directives that have been issued by the customer departments or by the Department of Supply and Services in respect of the use of non-toxic or low-level-toxicity bilge cleaners in ships operated by the government?

2. Is there any policy governing the use of non-flammable or low-level-flammability bilge cleaners in ships operated by the government and, if so, what is it?

3. Does the government have any directives, orders or regulations that would have the effect of requiring foreign and Canadian ships operating in Canadian territorial waters to use only low-level or non-toxic bilge cleaners and, if so, what is the policy and what is the date of its promulgation?

4. What is the present availability to commercial vessels of pump-out and/or containment facilities on-shore in the various harbours administered by the government for the containment or holding of bilge waste?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the ministry of Transport is concerned: 1. No written directives on the use of bilge cleaners have been issued to Canadian Coast Guard ships other than by memoranda saying that the amount to be used should be limited to the minimum and bilges should normally be cleaned with hot water and high pressure steam.

2. The policy is to consider the use of bilge cleaners as coming under the "Steamship Machinery Construction Regulations" which regulate the quantity and manner of stowage of fuel onboard ships.

3. There are no regulations that specifically refer to toxic bilge cleaners. However, should a cleaner contain a toxic substance which is included in the list of substances in the "Pollutant Substances Regulations", its discharge into the water would be prohibited. The date of proclamation of the "Pollutant Substances Regulations" was February 27, 1973, and notice of this appeared in the *Canada Gazette* Part II, Volume 107, No. 5.

4. None at the present time, however, an interdepartmental committee has been formed to study the possibilities of installing containment facilities at several ports.

In so far as the Department of the Environment is concerned: 1. The Department has no specific directives at present which deal with the levels of toxicity acceptable in bilge cleaners. However, analyses of selected substances including bilge cleaners are carried out to establish toxicity levels, and recommendations and guidelines based on these analyses and other relevant data are developed.

2, 3 and 4. To be answered elsewhere.

In so far as the Department of Public Works is concerned: 1. There are no directives in D.P.W. for non-toxic or low-level-toxicity bilge cleaners.

2. There is no policy, but when required, the practice is to purchase non-flammable or low-level flammability bilge cleaners.

3. D.P.W. has no jurisdiction over vessels not owned by the department.

4. D.P.W. does not administer harbours for pumpout facilities.

In so far as other departments are concerned: 1, 2, 3 and 4. Not applicable.

[Mr. Reid.]

STATISTICS ON INCOME LEVELS

Question No. 2,545—Mr. Stevens:

1. Did the Minister of National Health and Welfare, when speaking in Toronto on April 18, 1975, state "We can all read that the bottom 20 per cent of Canadian families receive less than 6 per cent of family income whereas the highest one-fifth receive 39 per cent" and, if so (a) where were such figures obtained (b) what year do they cover (c) can they be reconciled to Tables B and F of the Department of National Revenue's preliminary taxation statistics for 1973 and, if so, in what way?

2. What is the breakdown of the bottom 20% figures with respect to (a) occupation (b) marital status and what portion of such families have (i) one (ii) two (iii) three (iv) four members and over?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Health and Welfare and Industry, Trade and Commerce as follows: 1. Yes. (a) The figures were obtained from Statistics Canada Publication "Income Distribution by Size in Canada 1972." Catalogue 13-207 Annual, Table 53, page 79. (b) 1972. (c) The statistics cannot be reconciled with National Revenue's statistics. Taxation statistics show the incomes of separate tax filers. The Statistic Canada figures refers to family incomes. that is, the total income of all family

members. In 1973, approximately two-thirds of families had two or more family members in receipt of income.

2. (a) There is no information available on the occupations of family heads in the bottom 20 per cent, but only on the employment status. The employment status of heads of families in the lowest 20 per cent was: Employee, 27.7 per cent. Employer or Own Account Worker, 19.9 per cent. Not in the Labour Force, 52.4 per cent. (b) Information is not available on the marital status of the family head, but data are available on the composition of these families. Some 73.3 per cent of these families were headed by married couples. The remaining 26.7 per cent of families were of other types. The majority of these would be families headed by women who would probably be widowed, divorced, or separated. The size of families was as follows: Two persons, 51.0 per cent; Three persons, 18.4 per cent; Four persons, 13.6 per cent; Five or more persons, 17.0 per cent.

TOTAL COST OF 1976 OLYMPIC GAMES

Question No. 2,586—**Mr. Wenman:**

1. What is the latest estimate of the total cost of the 1976 Olympic Games?

2. Of the total cost, how much will come directly or indirectly from the government?

3. What is the total federal budget for direct financial assistance to Canada's Olympic athletes?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of National Health and Welfare and the President of Treasury Board as follows: 1. The federal government does not have access to all of the information necessary to allow a response to this question. This information should be obtained from the Organizing Committee (C.O.J.O.).

2. The total federal involvement in the staging of the 1976 Olympic Games is currently estimated at approximately $130 millions.

3. The current projection by the Department of National Health and Welfare of direct financial assistance to Canada's Olympic athletes in 1975-76 is $650,000.

RATE INCREASES ON ST. LAWRENCE SEAWAY AND RAIL RATE INCREASES FROM ATLANTIC CANADA

Question No. 2,690—**Mr. Forrestall:**

1. How many times has the government raised rates on the St. Lawrence Seaway system since 1959?

2. How many times were rail rates from Atlantic Canada inland raised since 1959?

3. What is the policy for increases in rail rates, if any?

4. What is the policy for rate increases for water facilities such as the St. Lawrence Seaway?

Hon. Jean Marchand (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. There have been no increases in the Montreal-Lake Ontario Section of the Seaway. Tolls on the Welland Canal were suspended in 1962. A lockage fee, phased in over five years, was introduced on this canal in 1967.

The Canadian Transport Commission advises as follows: 2. During the period January 1, 1959 to June 11, 1975 inclusive, rail rates from Atlantic Canada inland were raised as follows, under categories indicated: (a) Normal class and commodity rates, eight times. (b) Truck and water competitive rates 11 times. (c) Agreed Charges, six times.

3. The railways raised freight rates in relation to increased operating costs and statutory requirements providing that all freight rates must be compensatory for services provided.

4. In so far as the St. Lawrence Seaway Authority is concerned, tolls are levied in accordance with an agreement with United States. The Authority and the Government of Canada have endorsed the policy that tolls should be sufficient to maintain and operate the Seaway while amortizing its debt with interest over a period of 50 years. This policy is presently under review.

SWIMMING POOL—PRIME MINISTER'S RESIDENCE

Question No. 2,691—**Mr. Cossitt:**

1. Did the Prime Minister at any time suggest or propose to anyone whatsoever that a swimming pool be built at public expense by the National Capital Commission at his official residence, 24 Sussex Drive?

2. Did the Prime Minister or anyone acting on his behalf ever discuss the subject of a pool with the Chairman or anyone connected with the National Capital Commission and, if so (a) on what date (b) what are the details of such discussions?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Prime Minister's Office and the National Capital Commission as follows: 1. The question of construction of the pool at public expense was raised, but it was considered preferable to accept the offer of anonymous donors.

2. Yes. (a) November 13, 1975. (b) Discussion with the Prime Minister dealt with Commission's responsibility for exterior design of buildings constructed on federal property in the National Capital Region and with the landscaping of the official residence, 24 Sussex Drive.

GRANTS TO MUNICIPALITIES IN SASKATCHEWAN

Question No. 2,768—**Mr. Hnatyshyn:**

What total amounts in grants to municipalities in Saskatchewan for sewage and water installations were granted in (a) 1971-72 (b) 1973-74 (c) first six months of 1975?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Regional Economic Expansion and the Central Mortgage and Housing Corporation as follows: The total amounts of grants by DREE to municipalitis in Saskatchewan for sewage and water installations are as follows: (1) under the Agricultural Service Centres Agreement: calendar years 1971-72, $792.09; calendar years 1973-74, $1,293,030.60; first six months of 1975, $941,901.66. (2) in Meadow Lake Special Area: calendar years 1971-72, $28,196.93; calendar years 1973-74, $47,226.61; first six months of 1975, $17,708.80.

Order Paper Questions

Sewage Treatment Projects [1] Approved Under the NHA, Section 51, Saskatchewan
1971—May 1975

Year	Number of Loans	Amount ($000)/(1,000$)	Federal Forgiveness ($000)/(1,000$)
1971	6	—332 [2]	1,376
1972	6	—20 [2]	551
1973	15	1,839	83
1974	15	2,067	94
1975 January—May	2	19	8

[1] Data for 1971–74 are net; data for 1975 are gross.
[2] Reduction in loans initially approved in an earlier year.

INVESTMENT OF CFDC FUNDS IN "SWEET MOVIE"

Question No. 2,786—**Mr. Cossitt:**

1. Has the Canadian Film Development Corporation invested funds in the film "Sweet Movie" and, if so (a) is such investment approximately $115,000 in public funds (b) what are the names and job designations of all persons involved in deciding that the Corporation should become involved in this matter?

2. Does this film contain approximately eight on-camera acts of vomiting, five of urination and four of defecation?

3. What are all the reasons that a decision was made to invest public funds in a film of this kind?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: 1. Yes. (a) The Corporation does not reveal the amount of its investments in individual productions. (b) The CFDC Board Members, as follows: Mrs. Doris Anderson, Mr. Jean-Guy Fredette, Mr. Gratien Gélinas, also Chairman of the CFDC, Mrs. Doris Shadbolt, Mr. David Silcox, Mr. Sydney Newman, ex officio member.

2. No, but it contains some such scenes.

3. The Corporation's agreement to invest was based on the project as a whole taking into consideration every element of the application, such as: (i) Reputation of the director, Dusan Makavejev, (ii) The Producers, (iii) Canadian Content, (iv) The Script.

NUMBER OF PERSONNEL HIRED TO IMPLEMENT BILLS C-2 AND C-60

Question No. 2,830—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Department of Consumer and Corporate Affairs for duties relating primarily to the implementation and administration of (i) Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code (ii) Bill C-60, An Act respecting bankruptcy and insolvency?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. (a) (i) and (ii) Nil. (b) (i) and (ii) Nil. (i) C-2 Although no persons have been hired with the responsibility for the implementation and administration of Bill C-2, various officers have been involved in the preparation of implementation plans for the introduction of these provisions. In total, approximately one man-year has been devoted to the development of these plans. (ii) C-60 Although public servants and some outside experts hired under contract have worked on the development of the policies reflected in the proposed Bankruptcy Act, 1975 (Bill C-60), there have not been any persons hired by the Public Service Commission or under contract by the Department of Consumer and Corporate Affairs to carry out duties related primarily to the implementation and administration of that Bill.

2. Not applicable.

[Mr. Sharp.]

GRANT TO ASSOCIATION CANADIENNE DES ÉDUCATEURS DE LANGUE FRANÇAISE

Question No. 2,837—**Mr. Reynolds:**

Did the government grant $50,000 to the *Association Canadienne des éducateurs de langue française* for the printing of material and transportation costs in relation to their annual conference to be held in Chicoutimi, August 10 to 17, 1975 and, if so, for what reason is such material not available in the English language?

Hon. James Hugh Faulkner (Secretary of State): Yes: $30,000 to pay part of the travelling expenses for Francophone delegates from provinces other than Quebec, and $20,000 to cover part of the cost of organizing the project "Biennale de la francophonie canadienne" in Chicoutimi in August. The Association canadienne des éducateurs de langue française (ACELF) is a national organization aimed solely at French-speaking Canadians. All pertinent documentation is therefore printed in French only, unless the organization also wishes to address Anglophones. Texts and documents are then printed in both official languages.

FOOD PRICES REVIEW BOARD

Question No. 2,848—**Mr. Forrestall:**

How much money has the Food Prices Review Board saved for consumers resident in the Constituency of Dartmouth-Halifax East, if any?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The Food Prices Review Board was established under the Inquiries Act to study the causes of food price increases and to make reports to the public on its findings. The F.P.R.B. has not been given authority by Parliament to lower food prices and thus to effect savings to consumers directly. However, in the course of its work, it has assisted consumers indirectly by recommending ways in which consumers could save money when purchasing food: it has also made recommendations to the Government and industry that have resulted in lower prices than would otherwise have occurred. For example, in its report "What Price Nutrition" the Board suggested how Canadian consumers could save up to one-third on their food expenses and at the same time improve their nutritional level.

PUBLIC SERVICE COMPETITIONS OPEN TO MEMBERS OF ARMED FORCES

Question No. 2,849—**Mr. Forrestall:**

1. Can a member of the Canadian Armed Forces transferred with his family out of the Atlantic Region of Canada on a temporary or other basis, be permitted to apply for jobs within the Public Service in closed competitions that are offered in the Atlantic Provinces and, if so, under what circumstances?

2. Is it possible for such persons to apply for such jobs that are closed to residents of the Atlantic Provinces without being forced to resign from the Canadian Armed Forces?

3. Can a member of the Canadian Armed Forces once resigned, compete in closed competitions offered by the Public Service in Atlantic Canada and, if so, under what circumstances?

Hon. James Hugh Faulkner (Secretary of State): 1. Yes. For the purposes of being eligible to enter competitions, members of the Armed Forces are deemed to be employed in the Public Service. However, the Public Service Employment Act requires that, before a closed competition is conducted, the area of competition shall be determined in terms of the part, if any, of the Public Service and the occupational group and level of positions, if any, in which prospective candidates must be employed in order to be eligible for appointment. Therefore a member of the Armed Forces not stationed in the Atlantic Provinces would be eligible to enter closed competitions offered in the Atlantic Provinces, where the competitions have been advertised as open to all employees of the Public Service, employed within geographical limits set, either on a nation-wide basis or so as to include the area in which the member is serving.

2. Eligibility for appointment, in the case of closed competitions, is normally determined by the positions, or part of the Public Service, in which persons in the Public Service are employed, rather than by the area in which they reside. Therefore, a member of the Armed Forces must continue to retain his status as a serving member and be stationed within the geographical limits prescribed in the area of competition in order to be eligible to compete in a closed competition.

3. No. A serving member who resigns from the Canadian Armed Forces is ineligible to compete in any closed competition in the Public Service as of the date on which he ceases to be a member of the Armed Forces.

ASSISTANCE TO REGIONAL LIBRARIES

Question No. 2,850—**Mr. Forrestall:**

1. What level of assistance is presently available to libraries across Canada such as the Dartmouth Regional Library?

2. What changes are contemplated, if any?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Librarian as follows: 1. The National Library does not provide financial assistance to libraries.

2. Not applicable.

VETERANS HOSPITAL, VICTORIA, B.C.

Question No. 2,874—**Mr. Munro (Esquimalt-Saanich):**

1. How many beds were there in the Veterans Hospital in Victoria, British Columbia on the day of the transfer of the Hospital to the Province of British Columbia (a) how many were occupied (b) for what type of care, i.e. convalescent, acute or extended?

2. Since that time, by month, how many veterans (a) occupied beds in the building at the beginning of each month and for what type of care (b) were admitted for treatment to the building and for what type of care (c) were occupying beds in the other Jubilee Hospital building and for what type of care (d) were admitted to the Jubilee Hospital building and for what type of care (e) were occupying beds in other hospitals in British Columbia under the "guaranteed beds" part of the federal-provincial agreement (i) for what type of care (ii) at which hospitals (f) were admitted for treatment to other hospitals in British Columbia under the "guaranteed beds" agreement (i) for what type of care (ii) at which hospitals?

3. How many beds guaranteed to veterans under the transfer agreement were not occupied at any given time and for how long (a) in the Jubilee Hospital complex (b) elsewhere in British Columbia?

4. How many veterans are now waiting for admission to hospitals covered by the agreement (a) for what type of care (b) at which hospitals?

5. Of the guaranteed number of beds for veterans in the Memorial Pavilion, how many as of July 1, 1975, are occupied by (a) veterans (b) non-veterans?

6. How many of the guaranteed beds are considered to be elsewhere?

7. What is the charge per day to the veteran when he is obliged to occupy a bed elsewhere than in the Memorial Pavilion and, if it varies from hospital to hospital or nursing home to nursing home, what are the rates of each?

8. When calculating "bed space available" under the federal-provincial agreement covering the Veterans Hospital in Victoria, what hospitals in British Columbia are included aside from the Jubilee?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 215: (a) 160, (b) Active Care, 55; Chronic Care, 42; Domiciliary Care, 63.

2. (a)	Active Care	Chronic Care	Domiciliary Care	Total
September 1974	36	40	63	139
October 1974	37	45	59	141
November 1974	30	45	58	133
December 1974	32	43	59	134
January 1975	28	47	55	130
February 1975	35	49	60	144
March 1975	29	52	59	140
April 1975	20	48	57	125
May 1975	24	47	58	129
June 1975	27	46	58	131

(b)	Active Care	Chronic Care	Domiciliary Care	Total
September 1974	52	6	2	60
October 1974	53	2	6	61
November 1974	44	3	4	51
December 1974	41	7	1	49
January 1975	69	6	5	80
February 1975	44	5	1	50
March 1975	40	2	2	44
April 1975	48	3	5	56
May 1975	46	1	3	50
June 1975	43	3	3	49

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(c)	Active Care	Chronic Care	Domiciliary Care	Total
January 1975	8	—	—	8
February 1975	8	—	—	8
March 1975	9	—	—	9
April 1975	10	—	—	10
May 1975	7	—	—	7
June 1975	8	—	—	8

Note: Statistics were not recorded prior to January 1975.

(d) Separate statistics for the Jubilee Hospital were not kept.

(e) and (f) None. (The "guaranteed beds" agreement applies only to the Memorial Pavilion and the Jubilee Hospital.)

3. (a) and (b) Varies on a day to day basis. See answer for 2(a).

4. (a) Domiciliary Care, 74; Extended Care, 10; (b) Memorial Pavilion.

5. (a) 139, (b) 21.

6. None.

7. No charge for entitled veterans.

8. None.

INVESTMENT OF CFDC FUNDS IN "SWEET MOVIE"

Question No. 2,879—**Mr. Bawden:**

1. Did the Canadian Film Development Corporation fund the film "Sweet Movie" as reported in *Macleans* magazine?

2. Were similar movies funded by the CFDC?

3. What criteria were used in selecting the films to be supported?

4. Does the government consider that financial support for pornographic movies is a proper use of public money?

5. Will the National Film Board have this movie available to its libraries across Canada and, if not, for what reason?

6. What was the total amount expended by the CFDC on film subsidies?

Hon. James Hugh Faulkner (Secretary of State): In reply to Parts 1, 2, 3, 5 and 6, I am informed by the Canadian Film Development Corporation as follows: 1. Yes.

2. No.

3. The members and the staff of the Corporation take into consideration the scenario of the proposed film, the previous experience of the proposed producer and director, the cast, the budget, the distribution arrangements and other financial details before it decides to invest in any project which is proposed to it.

4. No.

5. No. This is a private sector production.

6. The total amount of subsidies expended by the CFDC since its inception up to March 31, 1975 (i.e. over a period of seven years) is $17,144,656.

[Mr. MacDonald (Cardigan).]

EFFECT OF REDUCTION IN EXPENDITURES ON PORTS IN EASTERN CANADA

Question No. 2,907—**Mr. Forrestall:**

What ports in Eastern Canada will suffer and to what extent by the $6 million reduction in non-budgetary expenditures by the National Harbours Board?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: The reduction is being considered within the total requirements for transportation purposes, and no final recommendation has been made to the Minister of Transport at this time.

*APPLICATIONS BEFORE ENTITLEMENT BOARD OF CANADIAN PENSION COMMISSION

Question No. 2,910—**Mr. McCleave:**

1. How many applications were before the Entitlement Board of the Canadian Pension Commission as of June 1, 1974 and June 1, 1975?

2. Has the government considered any remedies to speed up help to these veterans?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. As of July 1, 1974 there were 414 claims awaiting hearing by an Entitlement Board. As of June 1, 1975 the number was 706. In addition, 3,042 claims were in various stages of preparation for a hearing as of July 1, 1974 and 3,730 as of June 1, 1975. This includes claims where the Statement of Case is held by the applicant or his counsel and for which the notice of readiness to proceed with the hearing has not yet been received by the Canadian Pension Commission.

2. Yes.

* * *

QUESTION PASSED AS ORDER FOR RETURN

NUMBER OF PUBLIC SERVANTS WORKING IN NEWFOUNDLAND, 1968 TO DATE

Question No. 2,409—**Mr. Marshall:**

In each year 1968 to date, how many public servants did each department have working in the Province of Newfoundland?

Return tabled.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. On May 22 I asked question No. 2,535. It is a fairly simple question relating to ministerial conflicts of interest and it would be entirely within the knowledge of a single member of the government to answer, namely, the right hon. Prime Minister (Mr. Trudeau). I am quite sure an answer could be whipped up in 30 seconds. I do not know why it has not been answered, and I draw it to the attention of the parliamentary secretary.

Mr. Speaker: Orders of the day.

● (1520)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed, from Monday, July 21, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (P. 7416).

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, last evening before the House rose I had been referring to the social and economic condition of our country, a condition brought on by the misrule of the present government which operates under the guise of liberalism. I referred to certain newspaper articles and suggested that the Canadian people, especially those of us who must bear the cost of this misrule, know that Canada is in deep trouble and virtually leaderless.

What is the cause of this, Mr. Speaker? We could go back almost a decade and point to government arrogance, to government abuse of power, to procrastination, especially to the government's misuse of its present majority, to waste of taxpayers' money, poor judgment and chronic indecision. This morning I heard a radio commentator say that the hand is writing on the wall. That reminds me of an old hymn my grandmother used to sing. It is not in the hymn books any more, but it speaks of a story many centuries old, the story of Belshazzar's feast, during which a hand appeared and wrote on the wall and foretold the doom of his government. It goes like this:

At the feast of Belshazzar,
And a thousand of his Lords,
How they drank of golden vessels,
As the book of truth records.
In the night as they revelled,
In the lordly palace hall,
They were seized with consternation,
By the hand upon the wall.

How true it is today. The government is a perfect example of that to which the hymn refers, the hymn which my Scottish grandmother used to sing almost a century ago. The hand is writing on the wall for the government because, as the Scriptures say, they were weighed in the balance and found wanting. The Medes and the Persians are at the gates. I shall make no more metaphors; this will be the last. But the modern Medes and Persians are inflation and unemployment.

We have the spectacle before us of a government which imposes a ten cents a gallon surtax on gasoline and, in the same stroke of the pen, removes the tax from wine. That is one for the books. The government wants to tax the daylights out of those who need gasoline to make a living, and says to them, "Drink more wine and you won't feel the pain." I really don't know whether the minister was thinking about the true connoisseur when he removed the tax on wine, or if he was trying to ease the lot of the poor who feel the pinch of inflation. I think someone is greasing the skids under the Minister of Finance (Mr. Turner). He accepted poor advice when he lumped these two measures in one bill. Imagine including wine and gasoline in one bill! One cannot help comparing what has been done to wine with what has been done to gasoline.

I should hate to see the minister ridden out of the House by his colleagues, because that will be the effect of this bill. Personally, I shall hate to see him go. I have come to enjoy looking at his pleasant face across the floor and having the occasional exchange of banter and repartee. The minister is an interesting man and a rather pleasant sort; he is a good Canadian, too. But he was been badly misled. I think someone in his department was putting him on by drafting a bill like C-66 and asking him to put his stamp of approval on it.

Reading this bill we come across another anomaly, proposed section 17 on page 5. The proposed section reads:

> Thermal insulation materials designed exclusively for insulation of buildings; storm doors and storm windows for buildings; articles and materials for use exclusively in the manufacture or production thereof.

I was in the building materials and lumber business for 25 years, and in my opinion this proposed section will invite arbitrary interpretation by bureaucratic bunglers as to what actually constitutes insulating materials. Lumber is an insulating material, as is paper, glass, concrete, brick, stone and scores of other materials. They are, to a varied degree, insulators. To carry this argument further, the whole purpose of a building is to insulate the occupants and appurtenances from the weather. Every single material or substance can, in some instances, be considered as an insulating material. Why did not the drafters of this monstrous document simply say that all building materials are hereafter exempt from federal taxes?

Some hon. Members: Hear, hear!

Mr. Alkenbrack: Every speaker, excepting the two or three government supporters who took part in this debate, made the point I have just made. I can suggest a number of reasons why federal taxes should be taken off building materials completely and immediately. The main reason, of course, is the slump in housing starts in Canada. The slump has come exactly when thousands of new dwelling units are desperately needed. At the same time, the minister of state responsible for housing says that there is no way he can meet his own projections this year for housing starts. His is a sad case. If the federal government is truly concerned about housing starts, it should take the reasonable and logical step of taking the tax off building materials and then appoint a minister of housing who can get the show on the road.

Another reason for removing the tax on building materials is that the United States market for Canadian lumber is thinning because of a decline of housing starts in that country. A number of lumber companies in British Columbia have closed owing to a slump in the market. This would be a good time to put that surplus lumber to work. It could be used for the building of homes for Canadians. We should do everything we can to accomplish that end. Including clauses like proposed section 17 in tax bills is not the way to do it, Mr. Speaker. We do not need any more of that hard to interpret gobbledygook on the statute books. There is too much of it already and it accomplishes no good purpose.

Also, I should have to see the finance minister railroaded out of the House by his colleagues because he has become master of the one-liner since assuming his present cabinet responsibilities. Some of his lines are real gems. Take, for instance, his statement in the budget speech a few days ago. He said the government found it necessary to steer a narrow course between inflation and unemployment. He should get a prize for that one. What he really meant was that the government was threading its way among the multitude of problems facing the country and so far they have managed to avoid making contact with any of the problems.

I have read some startling accounts in the press lately, and again today, about the incredible mismanagement of Air Canada. Although I share the concern of the average Canadian about this appalling state of affairs, I am not surprised. The former Auditor General, Maxwell Henderson, warned us for years that the country was being as badly managed as Air Canada and other Crown corporations. The same crowd is responsible for fiscal and management policies. No wonder the national budget for the present fiscal year is close to $30 billion. It could be much higher before the year is out. No wonder the government is scratching the bottom of the barrel, trying to find new sources of revenue. Thus, of course, the ten-cent gasoline tax. They are invading a provincial field, although there is nothing in Canadian law to prevent their so doing.

● (1530)

A couple of weeks ago some of the spokesmen in the higher echelons of the Liberal Party said that if Ontario does not like the ten-cent additional gasoline tax being levied at the pumps, why do they not take off the provincial tax? What colossal nerve and affrontery! Ontario has a 19-cent a gallon gasoline tax. This revenue is used to build and maintain highways. They have been doing a good job. The federal government has a lot of nerve asking the Ontario government to vacate in part a field which they have historically held, in order to make room for this illegitimate affrontery to raise more revenue for the Trudeau government. We are in that position today.

The present government has got itself boxed in. That is the reason for levying this tax. It cannot restrain itself now because the habit of spending recklessly has become too deeply entrenched. It is far easier to get into a bad habit than to kick one. I do not believe this government is interested in kicking its habit of overspending. Liberal cabinet ministers have had access to the public purse for too long to give up this largesse. In fact, it is obvious they want more money to spend on their personal programs and projects. When they are called upon to solve serious problems, their first thought is to spend their way out of them. When they find themselves short of cash, they send their friendly Minister of Finance on a foraging expedition. In this bill we find him poaching in the traditional domain of the provinces. We find him gouging taxes from the retail sale of gasoline which traditionally have been left to the provinces for the construction and maintenance of roads and highways.

The minister got off another good one-liner when the Premier of Ontario objected to the imposition of the ten-cent a gallon increase in the surtax. The minister suggested that if the premier thought the price of gasoline was too high, he could drop the 19-cent a gallon Ontario tax on gasoline. I can see the premier setting up the province for another federal kill. If Premier Davis were to drop the 19-cent tax, the finance minister and his cronies would jump in like a flock of vultures, saying that if the province did not want the 19 cents, the federal government would take it.

It looks as though there will be another injustice perpetrated on the Canadian taxpayers in connection with this legislation. That is on the question of rebates returned by the government to those who have purchased and burned gasoline in the course of earning their livelihood and in necessary travel to and from their jobs. At first it was reported that the Minister of National Revenue (Mr. Basford) had stated that the ten cents a gallon rebate would not be taxable. Now that has been contradicted by his department and they say that the rebate will be taxed. If this is so, it is a glaring, rank injustice. I do not believe that ruling would be upheld in a court of law. This would be absolute theft on the part of the government theft from the taxpayers.

First, the money that he or she earned as income in order to buy gasoline is taxed. Then they take some of it to buy a tank of gasoline to go to work and pay the ten-cent per gallon tax, which then is rebated to them at a later date in full. If the government taxes that rebate, it will be double taxation. Moreover, it will be taxation of amounts that have nothing to do with income. How crazy can the government get? This legislation is shaky enough without compounding it with such nonsense. I say to the Minister of Finance and to the Minister of National Revenue, make a non-taxing return of the gasoline tax to the industrial and workaday users. Do that and you will be in the better books of the Canadian taxpayers, which you are not at the present time.

The Minister of Finance has said he is taxing gasoline users ten cents per gallon, plus the wellhead crude oil tax, and is doing this for revenue purposes. I wonder for what specific purposes. The Trudeau record under the guise of liberalism is a sorry mess. The minister says, of course, that the first purpose is to subsidize the extra cost of gasoline and oil in the eastern part of our country, but he also stated in his speech on July 9 that this item will bolster the consolidated revenue fund. That is why I ask the question that this House and all of Canada is asking: For what will the $500 million a year be used?

Some questions immediately arise. Will this be used to finance more give away programs? Will it be used to finance CIDA's colossal expenditures in foreign countries? I am not the red-necked bigot that a Liberal would try to label me. Some of these projects are legitimate for our purpose of being a world nation trying to help our brothers, but a good share of it is nothing but extravagance and wasted money. Will this revenue be used to finance the self-indulgent extravagances of the Prime Minister (Mr. Trudeau)? No answer there. Will it be used to finance deficits created by bad deals and judgments such as Microsystems, not far from Ottawa, which in the name of liberalism was given a $30 million grant? That was a big one, Mr. Speaker. That is another failure of "Trudeaucracy".

There is an example of a smaller loss in my constituency. Even though it is small, prorated it is as important as the $30 million poured down the drain just outside this city. Just before the 1972 election, one of the candidates for the Liberal nomination announced they had made a grant to a lathe mill in Northbrook of over $6,000, supposedly to train machine operators. A month after the grant was announced, the firm went out of business and no operators were trained or needed. The site is on the outskirts of the village along Highway 41 and is a public nuisance and eyesore, with its huge pile of edgings and dilapidated buildings with junk piled around.

That is all that is left of another Liberal grant. Moreover, it is a regional fire hazard. The government will be hearing more about this from me because the mess has to be cleaned up; it is detrimental to our countryside. We are trying to attract tourists. They do not come here to seek junk, edging piles and fire hazards. Government spending is a bottomless pit to which it consigns the taxpayers' earnings.

As the finance minister steers his narrow course between inflation and unemployment, I hope he will take the trouble to look to the right and to the left, up and down, and forward and backward. If he will just do that, he will see where he is going. We are drifting along in so many directions at this time that I am surprised the finance minister would even suggest that this sort of meandering can be described as steering a narrow course. It is more like the narrow course the legendary bull charted through the china shop. Like the china shop, the country is in a shamble, and it would appear that the worst is yet to come. If the government is getting so short of funds and sources of additional revenue as to transgress into provincial tax preserves, then we must be in serious economic straits indeed; much worse, I would suspect, than the finance minister has told us.

● (1540)

I must also join my hon. friends in protesting the manner in which the Minister of Finance imposed this increase in the excise tax—by an announcement in the middle of a speech in the House. This is taxation by fiat and is further evidence that the government has no ethics about tabling tax legislation before the fact; it has found it is more convenient and expeditious to table legislation after the tax has been imposed and after it has come into force. This is contrary to the rule of law and contrary to the tradition followed by all the governments which preceded the would-be dictators across the floor.

What are some of the exemptions for which the bill provides? Section 2 refers to air travel. All non-Canadians using commercial air travel from points outside our country are excluded. But all Canadians emplaning from points within Canada will pay. The excise tax on wine has been sharply cut. All users of Canadian wine will from now on pay only 2½ cents tax per gallon, instead of 20 cents a gallon as formerly, if the alcoholic content is 7 per cent or less, and only five cents per gallon instead of 40 cents per gallon on wine with an alcohol content of more than 7 per cent.

I note, also, that the tax has been removed from insulation materials, incidentally, this measure should benefit all those people who buy insulating materials as a means of keeping their wine cold. Persons exempted from tax include Her Majesty in right of Canada, an exemption which extends to the Prime Minister and covers his Liberal picnic junkets around the country in armed forces' helicopters. But the working man has no exemptions whatsoever.

I wish to speak briefly as a member with three prisons in his riding, each of which has been a continuing source of trouble to the community and to the country. I ask the Solicitor General (Mr. Allmand) why it was considered necessary or expedient to cut back the proposed prison construction program touted for so long. If the revenue to be raised by this tax was to be used to build new prisons or to modernize old prisons, I might be inclined to accept it with some grace. However, as has already been pointed out by many of my hon. friends, the money to be collected is to go into general revenues; it will not be used to build roads or prisons or to create jobs or fight inflation. In fact, on the contrary, it will only serve to feed the fires of inflation.

The hon. member for Parry Sound-Muskoka (Mr. Darling) suggested last week that we in the official opposition would be pleased to lend the services of our esteemed economic critic, the hon. member for York-Simcoe (Mr. Stevens) to help the Minister of Finance. Our economic critic could remind him of what he has said in the past concerning the state of our economic health. He could remind him how wide of the mark he has been with his predictions and projections. He might even be able to advise him how to get out of the mess in which his cabinet colleagues have placed him.

The minister is being roasted by his own colleagues and he will be cast aside as soon as it suits the purposes of those who constitute the real power of liberalism. I extend an invitation to the minister to come over to this side of the House when his colleagues are finished with him. He will have to start at the bottom and learn his craft, but there might be a better future for him in a party which places a higher value on service and honour than on power for the sake of power.

If the government is sincere about reducing expenditures, it could begin by withdrawing the hundreds of millions it is squandering each year on the so-called bilingualism program in the public service. That program has become a scandalous, expensive disaster and instead of promoting bilingualism it is being used to promote racism. Those of us who complain about the way in which the program has deteriorated into a scheme to recruit and promote public servants on the basis of race are called racists, but it is becoming apparent to the majority of Canadians that this is simply a smokescreen thrown up by those who hope they can obscure the truth about what is happening.

I would call attention to a headline in the Ottawa *Journal* of July 22, "School boards challenge Bill 22"—

The Acting Speaker (Mr. Penner): Order. I hesitate to interrupt the hon. member, who is a very distinguished, honourable and experienced member of this House. Nevertheless, it has been made clear from the chair that members should direct themselves specifically to the principles

of Bill C-66. I think everyone will agree that it is not at all desirable that we should resurrect the budget debate in general. We are dealing now with the second reading of Bill C-66 and I am sure members will agree that we would be better served if we were to direct our attention exclusively to that bill.

Mr. Paproski: I think my hon. friend is coming to the point, Your Honour. As you know, it takes a little time for some of us to get to the point, but I am sure he will do so.

Mr. Stevens: On the point of order, Mr. Speaker, I would draw attention to the speech made by the Minister of Finance (Mr. Turner) when this bill was first introduced. It was a rambling speech, in the course of which he referred to many items in the budget in no way directly linked with Bill C-66. This precedent having been set, it is difficult to rule any speech out of order at this point. The hon. member who has the floor certainly has been making some very appropriate remarks.

The Acting Speaker (Mr. Penner): I thank hon. members for contributing to the discussion of the procedural point. What we are looking at now is not precedent but the Standing Orders. They are quite clear: hon. members shall direct themselves specifically to the terms of the bill which is being debated. I hope all hon. members will adhere to this rule; it is a time-honoured one.

Mr. Alkenbrack: Thank you, Mr. Speaker. As a fellow parliamentarian, I respect your judgment. However, I would draw to your attention the fact that the bill pertains to finance; it pertains to revenue. I mentioned the government's bilingualism program and the inefficiency with which it is being carried out because it has a direct bearing on expenditure, on the nation's financial affairs. This led me to refer to the protest raised by the Association of Protestant School Boards in Quebec which is asking for a ruling on the Quebec official languages act, Bill 22, on the grounds that it will constitute a hardship to some of the citizens of that province.

If hon. members care to look at today's Ottawa *Journal*, they will find a headline reading "Trudeau rules out Bill 22 challenge". The Prime Minister is reported as saying the federal government will not ask the Supreme Court to rule on the constitutionality of the Quebec law making French the province's official language. Hail, the just society!

An hon. Member: Get back to the bill.

Mr. Alkenbrack: However, as I say, Mr. Speaker, I respect your ruling. On the admission of both the President of the Treasury Board (Mr. Chrétien) and the chairman of the Public Service Commission, the commission intends to ignore the merit system in recruiting for the public service until it is satisfied there is a ratio among employees roughly equivalent to the population ratio of English and French Canadians. This practice is against federal regulations, it is against provincial regulations and it is against all the rules of decent conduct in our society. That is liberalism for you. This is the Trudeau just society.

[The Acting Speaker (Mr. Penner).]

• (1550)

At a time when we are trying to wipe out all traces of discrimination on the basis of race, creed, colour, religion or national origin, this government is promoting racism, and in the process is trying to turn the two founding cultures and races of our country into opposing camps. This is a strange method indeed for a government to promote unity in a country where people have been getting along so well for generations.

The finance minister has freely admitted that the ten cents a gallon tax to be levied on motorist and gasoline users at the retail level is to be used by the government for badly needed revenue purposes, and it is estimated this revenue will total $500 million per year. I have referred to their bad habits of the past, and these are coming home to haunt the government. There is an old French saying out of everyday human experience that certainly applies here, and it is this: "Plus qu'hier, moins que demain". In English, it means the more yesterday, the less tomorrow. In other words, the more you spent and dissipated yesterday, the less you have for tomorrow. Is that not true, Mr. Speaker?

The Trudeau government wasted and squandered so much yesterday, in the past, that the outlook for tomorrow is fraught with financial difficulties of their own making; and as I previously stated, they are weighed in the balance and found wanting.

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I want first to acknowledge your ruling that the remarks of hon. members should be relevant to the bill under consideration. As Your Honour knows, Bill C-66 imposes a gasoline excise tax of ten cents a gallon on gasoline sold by refiners and importers of gasoline. The tax is not imposed on the sale of diesel fuel, aviation fuel and heating fuel. I want to observe your ruling, Mr. Speaker, and to deal with the technical administration of the proposed tax. The policy reasons behind this measure were, I think, eloquently and cogently put by the Minister of Finance (Mr. Turner) in his budget statement and speech on moving second reading of this bill, and in the exceedingly fine speech of my colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald).

In following the course of the debate on second reading of this bill, some hon. members have raised questions on the administrative aspects of the proposed gasoline excise tax and I hope they would be interested in some enlightenment on the subject this afternoon. Notwithstanding that this tax is expected to generate some $350 million in the remaining portion of this fiscal year, the cost of collection of this large sum will be minimal since the 20 refiners and 10 gasoline importers affected by payment of the tax already pay sales tax to the Department of National Revenue each month in the regular course of their business. So they will only be required to make minor adjustments in their accounting system to record and remit the gasoline excise tax. This is provided for in the bill, and these 20 refiners and 10 importers will simply add the proposed gasoline tax to that remission.

Furthermore, in terms of the administration of the refund programs, even though it is expected that upwards of one million persons will be entitled to claim refunds of

gasoline tax as a relieving measure, the cost of the collection and processing of refund claims will be about 1 per cent. This is in the same range as the present administration costs of the general manufacturers sales tax that is currently in place.

The administration is being geared, on passage of the bill, to refund the tax on gasoline provided for in the bill, gasoline that is used for commercial purposes by delivery trucks, buses, taxis, construction equipment, manufacturing equipment, mining and forestry equipment, by farmers, commercial fishermen and hunters and trappers who use gasoline in the course of farming, commercial fishing, hunting and trapping activities.

Tax relief will also be provided by way of refunds to hospitals, federal and provincial government departments and agencies, as well as to persons who claim a portion of their vehicle expenses as a deduction against income tax in computing their income. Hon. members know that this will include doctors, commercial travellers, salesmen, business people using their cars in the course of their business, self-employed professional persons, manufacturers, retailers, hospitals and day-care centres when the gasoline is used in their vehicles and equipment.

Generally then, Mr. Speaker, with the bill as now proposed and reprinted by order of Your Honour, all persons who use gasoline in the course of their business or commercial activities for the purpose of earning income will be entitled to claim a refund as well as those manufacturers who are exempt from the 12 per cent federal sales tax on gas purchased for further manufacture. Also, the refund of the gasoline tax is not limited to gasoline purchased for cars, trucks and other vehicles; it will also be allowed for use in snowmobiles, tractors, lawn mowers and motor boats if the gasoline was consumed for business or for income-producing purposes.

As the House knows, originally Bill C-66 contained section 47(1)(f) providing for payment of the refund to a large group of persons and organizations not required to pay income tax on their earnings. That list, provided in the Income Tax Act, includes such bodies as municipal authorities or public bodies performing a similar function, school boards, municipal and provincial corporations, charitable organizations, non-profit organizations, charitable trusts, trade unions or labour organizations, housing corporations within the meaning of that expression as defined by the National Housing Act, and others. Without in any way reflecting on Your Honour's ruling in this instance, I would hope that at the committee stage of the bill the House would be amenable to suggestions to be made by the Minister of Finance to bring back into the bill relief from this tax for a group of non-business users of gasoline.

Dealing further with the administration of this proposed tax, employers who pay a mileage allowance to their employees for business travel will be allowed to claim a refund either on the basis of ten cents per gallon for actual gasoline expended in business travel or the employer will be permitted a factor of a fraction of a cent per mile. I propose to recommend to the governor in council on passage of the bill that a factor of five-eighths of a cent per mile be authorized for calculation by an employer who paid his employee mileage. As may be evident, the intent of the proposed legislation is to exempt all users of gasoline other than those who use gasoline for personal transportation or other personal use.

There will also be situations where gasoline is consumed in vehicles that are used partly for business and partly for pleasure. In situations of this kind, only that portion of gasoline which is consumed when the vehicle is being used for business purposes or for income-producing purposes will be subject to the refund.

An hon. Member: How would you measure that?

Mr. Basford: I will come to the point the hon. member has just raised in a few moments. For example, in a situation where an eligible person, say a doctor or salesman, drove an automobile 20,000 miles in a year, where only 12,000 miles or 60 per cent was on commercial business, that person would have paid a total of $125 of gasoline excise tax if he had purchased 1,250 gallons of gasoline, and he would be entitled to a gasoline refund of $75.

The hon. member has asked how we would calculate that, how we would administer it. This type of assessment, this type of judgment or this type of arrangement is already in place and made under the existing Income Tax Act where people are entitled to deduct a certain proportion of their vehicle expense for tax purposes.

● (1600)

I will come to the point raised by the hon. member for Peace River (Mr. Baldwin) in a moment. The hon. member for Peace River raised a question the other day with which I shall deal later. I emphasize that while no claim for refund can be paid before the bill receives royal assent, when and if it does provision will be made for large refund claims to be made on a monthly basis and reimbursement should be made within two or three weeks of receipt of the claim.

Mr. Baldwin: That is wrong.

Mr. Basford: The hon. member for Peace River says that is wrong. I will come back to this again at the conclusion of my speech and show that his submission is not right. Hon. members opposite who have raised all sorts of comments in the course of the debate about administration, obviously are not the least interested in learning what the proposed administration will be. As I was suggesting, large refunds would be made on a monthly basis and reimbursement of the refund should be made within two or three weeks of receipt of the claim. Smaller refunds, it is proposed, will be filed semi-annually and processed within six weeks of receipt at the Revenue Canada data centre.

An hon. Member: How large must they be?

Mr. Basford: My department will accept claims of $200 or more once a month. An amount of $200 represents some 32,000 miles of usage in a car burning gasoline at the rate of 16 miles per gallon. Claims of less than $200 will be accepted twice a year covering the periods January 1 to June 30 and July 1 to December 31. Very small claims will be accepted on or after December 31, 1975.

Mr. Dick: Mr. Speaker, on a point of order, I wonder whether the minister would permit a question.

The Acting Speaker (Mr. Penner): Would the minister allow a question at this time?

Mr. Basford: I would prefer to answer at the end of my speech, if I might, Mr. Speaker.

Mr. Dick: Fair enough.

Mr. Basford: On the basis of that, Mr. Speaker, as I say—to re-emphasize—refund claims of $200 will be received and paid monthly and those of less than $200 will be accepted twice a year. The smaller claims will be accepted on or after December 31, 1975. To give some indication of the magnitude of the claims involved, we estimate, for example, that a commercial salesman travels between 20,000 and 40,000 business miles per year, and also that a taxicab travels approximately 100,000 to 150,000 business miles per year.

Using that calculation related to a car which travels an average 16 miles to the gallon, we find that the commercial salesman would receive a refund of between $125 and $250 per year, and that the taxi driver would receive between $625 and $937.50 per year. Dealing with the exemption for eastern farmers, the average eastern farmer burns 3,000 gallons of gasoline per year on farming. His refund would be about $300 per year. The average western farmer burns 1,000 gallons of gasoline per year, which is less than his eastern counterpart because western farmers use diesel engines to a greater extent. This represents a rebate of $100. I have asked for statistics relating to fishermen and the amount of the refund anticipated for them, but because of the very diverse nature of the fishing industry it is extremely difficult to draw out what would be a meaningful average.

The method of payment of refunds that we propose to space out monthly, semi-annually and annually will, I want to reassure the hon. member for Peace River who raised this matter, in fact help stabilize the work load in the data centre where these refund claims will be handled. At the present time, the data centre is used to process income tax returns. We have a peak load at tax filing time. The high load then falls off, and the administration throughout the year of the gasoline tax refund program would stabilize employment within the data centre and solve some of our administrative problems.

Some hon. members opposite have raised the question of administration. I wish to draw it to their attention that, for example, the present program of refunds under the Income Tax Act, as an average, on a correct return requires a period of five weeks from the time of receipt of the return until payment by the Department of Supply and Services. Obviously, the processing of a rather simple form relating to the gasoline tax is a far simpler task than the assessment and processing of an income tax return; therefore, the time spent on these refunds should be considerably less than the time spent on income tax returns.

Since no refund of the gasoline excise tax is permitted for personal use, my department will not refund tax for mileage which the employer might pay his employee for travel from his home to his place of work since this is comparable to the personal expenses of a person travelling from his home to his place of employment. Furthermore, a lawyer, medical doctor or business person using his car to drive from his home to his place of business would similarly be unable to claim refund of the gasoline tax for that travel.

It goes without saying that my department will not condone—I think this is a point that was raised by one hon. member—fraudulent claims and will consider prosecution in those instances which are uncovered by auditors during their periodic review of claimants' records. This mechanism is already in place in my department in assessing and auditing present tax returns.

At this point, Mr. Speaker, I should like to say a few words about the status of the gasoline excise tax refunds for purposes of the Income Tax Act. It will be recognized, of course, that a person is only entitled to claim his net cost as an expense for tax purposes. If, therefore, he charges as expense the full price of the gasoline, including the ten cents per gallon to be rebated, he must add the rebate into his declared income. If, on the other hand, he charges only his net expense, excluding the rebate, he would need to take no further steps regarding income tax in respect of the rebate when he receives it.

In view of the comments, I might add a little more in explanation of that situation. The Income Tax Act provides for two methods of computing income and expenses—the cash method and the accrual method. In brief, the cash method must be used by taxpayers whose income is derived from office or employment, including commission salesmen. Farmers and fishermen may elect to use this method or the accrual method. The income of all other businesses, including the professions, must be reported on the accrual basis.

Under the cash method, income is reported in the year it is received and expenses are deducted in the year they are paid. Consequently, an individual using this basis will be entitled to deduct the total amount paid during the year for the gasoline purchased for business purposes, and report as income the gasoline tax rebate actually received during the year. As an alternative, he may reduce the gasoline purchases by the amount of the rebate and claim only the net cost of the gasoline as an expense. For example, if his gasoline purchases amounted to $700 and he received a rebate of $100, he could either claim the $700 as an expense and report the $100 rebate as income, or claim the net amount which is $600. The over-all effect for tax purposes is the same.

Under the accrual method, income is reported in the year it is earned, regardless of when the payment is actually received. In turn, expenses are deductible in the year incurred, whether paid or unpaid. Therefore, a taxpayer using this method will claim the net cost of gasoline, that is, the total gasoline purchased reduced by the rebates applicable to those purchases.

● (1610)

I wish to assure the House, particularly the Leader of the Opposition (Mr. Stanfield), that the administration of this tax will not be an administrative nightmare as was suggested by him in the House. My department has made arrangements for refund claims on the basis of the passage

of the bill, and contingency planning for forms, for instruction sheets and for self-addressed return envelopes to be available at all excise offices, customs offices and post offices across Canada shortly after Labour Day—on the basis of the passage of the bill in the current month.

These forms, if completed in accordance with the detailed instructions on the back, will be processed by the existing computer taxation data centre in Ottawa, using the special program developed specifically for the processing of gasoline claims, without delay. I have given the times when they will be paid and the schedule in the year. When the bill is passed, I urge each claimant to take care in completing the form, which is to be a simple one, follow the instructions and then his refund will be paid in the time periods I have set up.

Frankly, I am pleased with the organization that my department has put in place for contingency planning in anticipation of the passage of Bill C-66. My officials are ready to proceed with the administration of the gasoline tax refund program. It is not the kind of administrative problem that the Leader of the Opposition suggested it would be.

Mr. Stanfield: It sure is for the public.

Mr. Basford: The form is designed so as to be easy to complete and yet provides my department with the minimal required information for compliance purposes. I emphasize, for those who have said it is difficult for the taxpayers, that we will not normally ask persons to send in their gasoline invoices with their claims, but will accept a declaration that the information given is accurate.

Some hon. Members: Oh, oh!

Mr. Basford: Unlike the opposition, we have faith in the Canadian public.

Some hon. Members: Hear, hear!

An hon. Member: But they don't have faith in you.

Mr. Basford: However, claimants will be required to keep on hand documentary evidence of the purchase for audit by members of the Department of National Revenue in the event that there are a few cheaters, which members of the opposition seem to think there are in Canada.

I would merely recommend, and I do so on the basis that Bill C-66 is like all measures that have preceded it, contrary to what the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) said, that anyone who uses gasoline at this time for commercial purposes maintains a careful record of his gasoline purchases, particularly gasoline used for business, to enable him to file his claim as soon as passage of the bill and distribution of the forms are completed.

I am confident that the present excise organization and the existing data centre in Ottawa will be able to handle the processing of gasoline tax refund claims promptly and efficiently and without undue inconvenience to the general public. It must be obvious to members of the House that, contrary to the comments made by the hon. member for York-Simcoe (Mr. Stevens), my department has this matter of the administration of the gasoline tax well in hand and will be proceeding, following the passage of the bill, with the issuance of refunds in an orderly and expeditious manner as outlined in my remarks today.

I want to conclude by referring to the comments made by the hon. member for Peace River when he said we could commence to pay out the refunds without passage of the bill. That is not correct. I presume that what was being referred to when the question was raised in the House is that the claimant could use section 17 of the Financial Administration Act for the purpose of claiming the remittance of the special excise tax on gasoline. That is the section which allows the governor in council to make remissions. Presumably, what was suggested by the hon. member for Peace River is an order in council under that provision, remitting the tax to the purchasers described in new section 47, clause 5 of the bill. I hesitate to disagree with the hon. member for Peace River who is the opposition House leader, a distinguished member and parliamentarian. I am only a humble minister. But I am bound by the advice I receive from the law officers of the Crown.

I am also conscious of the fact that I have to run my department in accordance with the rules of the Financial Administration Act. I have always endeavoured to run the departments which I have headed so as not to receive adverse comments from the Auditor General. Therefore, I must regretfully decline the invitation of the hon. member for Peace River to pay the refunds before the passage of the bill. The fact is that such an arrangement would be illegal and impossible. A remission order under section 17 of the Financial Administration Act cannot be used for the purpose suggested, namely, that of paying the refunds before the passage of the bill. A remission order under that provision may only be made in the case of a tax as defined in section 17(10) of the Financial Administration Act which defines a tax as being, among other things, a tax "payable to Her Majesty imposed or authorized to be imposed by any Act of Parliament". Until such time as Bill C-66 is enacted into law, there is no special excise tax on gasoline authorized by parliament.

Mr. Stanfield: What an absurdity!

Mr. Basford: Let me say to a group of members who always claim to be conscious of the rules of parliament and who insist that the government should observe the rules, that I emphasize that this bill has not been passed. As provided in section 17 of the Financial Administration Act, we could only refund a tax that had been authorized or imposed by an act of parliament. On the other hand, it is in accordance with a well established tradition of this government, and of Conservative governments the few times they have been in office, that the amount can be collected from the time of the tabling of the ways and means motion, because when finally enacted into law, as I mentioned earlier, the bill and the tax will be retroactive to that date.

The second suggestion of the hon. member for Peace River is not workable because, in any event, the Financial Administration Act which provides for a remission order of a tax authorized by parliament only provides for the remission of that tax to the taxpayer, namely, to the person upon whom the tax has been imposed. As I made clear in my opening remarks, the tax under Bill C-66 is

imposed on 20 refiners and 10 importers. I do not think the hon. member for Peace River is suggesting that we refund the tax to those 30 taxpayers, and yet those are the only taxpayers entitled to a remission under the Financial Administration Act.

The scheme under Bill C-66 is quite different from what the hon. member for Peace River envisages. It is not a refund of the tax to those 30 taxpayers but, rather, a refund of an amount equal to the tax payable to the purchaser of gasoline on which the tax has already been paid. The scheme of the bill is to provide relief by way of a refund to a group of people who have purchased gasoline. However, under the bill and under the Financial Administration Act that amount is not to be refunded to the taxpayers whom I pointed out, namely, the manufacturer, producer or importer of gasoline.

● (1620)

Much as I would like to accept the suggestion of the hon. member for Peace River that we pay out the refunds regardless of what parliament does and whether the bill is passed or not, which seems to be what he is saying, from the best advice I have from the law officers of the Crown and from my desire to run my department in accordance with practice which would not lead to adverse comment from the Auditor General, it is a scheme and an invitation which I cannot accept.

I have endeavoured in my speech to point out that the administrative problems involved with Bill C-66 when it is passed are not administrative nightmares as suggested. It is a workable bill. It is within the capacity of the department to manage and it can be managed without undue difficulty to the public. It will provide relief from the tax to a group of people, which I regard as important. Therefore having satisfied hon. members opposite that the proposals in the bill are administratively feasible, I hope we can pass the bill and show them that in fact it is.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Penner): The hon. member for Lanark-Renfrew-Carleton (Mr. Dick) seeks leave to ask the minister a question.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, to begin with, the minister indicated that he had contingency plans about forms, but then he went on and suggested that he had a simple form prepared. So that we may all see it, I wonder whether the minister would be willing to table a copy of that simple form.

An hon. Member: Pass the bill and you'll see it.

Mr. Basford: Mr. Speaker, I think that would not be in accordance with past practice. Under the legislation, I am authorized to prepare forms and make necessary regulations.

Mr. Knowles (Winnipeg North Centre): The legislation has not been passed.

An hon. Member: Show them to us.

[Mr. Basford.]

Mr. Basford: They will be approved and passed by the governor in council and by the minister responsible, when the legislation is passed.

Mr. Alkenbrack: Mr. Speaker, on a point of order, could the minister not issue to hon. members a statement which would cover inquiries as to the routine to be followed by constituents pertaining to exemptions under the legislation? I have received a couple of applications already and people in business are asking how they can receive the exemption. If the minister could circulate an official statement to hon. members, we could then tell our constituents.

Mr. Basford: Mr. Speaker, one of the principal purposes of my speaking this afternoon was to set out the type of administration we would be conducting, for the guidance of those people in business and others who will be entitled to exemption once passage of this bill is made. I think the best thing the hon. member could do at this point would be to send his constituents a copy of my speech, and I will be happy—

Some hon. Members: Oh, no.

Mr. Dick: We don't want to confuse them.

Mr. McKinnon: Mr. Speaker, I wish to ask the minister a question. The minister recited quite a list of people who would be entitled to refunds, and he seemed to take some of the responsibility for having them on the list. I wonder if he could assure the House that he will consider adding to that lengthy list those people who are handicapped and who need special cars. It would be quite easy to segregate them. They have a driver's licence which restricts them to cars which are particularly engineered to enable them to drive, and it seems to me that group would be a worthy addition to the minister's lengthy list.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, I would like to emphasize that the tax policy and the decision regarding to whom the tax refunds will be payable is a decision to be made by cabinet on the recommendation of the Minister of Finance, rather than myself. I have received representations, as has the Minister of Finance, from the very group of which the hon. member speaks and I know they are being very carefully considered by the Minister of Finance. Obviously, the list of people entitled to the refund cannot be expanded at this stage of the bill.

An hon. Member: Why not?

The Acting Speaker (Mr. Penner): Order, please. There are a number of hon. members seeking to ask the minister questions. Hon. members know that it is not the usual procedure which is followed; however, if there is unanimous consent, the Chair is quite prepared to allow hon. members to put questions to the minister. The minister is still within the time limit of his speech, and that procedure could be followed if all hon. members agreed. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Penner): It is not agreed.

Mr. Basford: Mr. Speaker, on a point of order, it is required by the rules of the House that we ask for unanimous consent. We are not in committee of the whole House where cross-examination is permitted, but within reasonable limits I am quite happy to answer questions if my speech gave rise to them. Of course, I would be happy to get the bill into a committee of the whole House where my colleague, the Minister of Finance, and I could be subjected to close cross-examination.

Mr. Stanfield: Don't be impatient.

The Acting Speaker (Mr. Penner): In view of the statement of the minister, the Chair can again ask whether hon. members agree that questions to the minister should be allowed. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Penner): It is not agreed. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker—

Mr. Epp: This is open government, a real democracy.

Mr. McKinnon: The Liberals don't trust Basford.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Penner): Order, please. The hon. member for Nanaimo-Cowichan-The Islands has been recognized for the purpose of making a speech.

Mr. Epp: You guys don't trust the minister to answer, do you?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, some time ago the Prime Minister (Mr. Trudeau) told the people of Canada that he would wrestle inflation to the ground. The budget of the Minister of Finance (Mr. Turner) of June 23 and the legislation which will proceed from it, including Bill C-66 which we are now discussing and which imposes a ten-cent per gallon excise tax on gasoline, provide the people of this country with an excellent opportunity to see who is going to do the battling in this well orchestrated wrestling match. Whenever a Liberal government, whether in peacetime or wartime, calls upon the Canadian people to make sacrifices, one can always be sure that the sacrifices will be borne by the people least able to carry them. In this fight against inflation the burden will be carried by the victims of inflation and not by the beneficiaries.

Mr. Knowles (Winnipeg North Centre): An old Liberal tradition.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It will come as no surprise to anyone that the corporate sector of this country will benefit very materially. It has already benefited by the previous budgets of the present Minister of Finance by means of rapid write-offs and accelerated depreciation which have given the corporate sector in the neighbourhood of $2 billion, and in the present budget it again does very well. It is benefiting to the tune of some $240 million, $200 million in tax credits and an additional $40 million through changes in the resource industry tax legislation. If, in the endeavour to wrestle inflation to the ground, somebody has to tighten their belt, it is apparently not going to be the corporate elite; they are going to be allowed to view the battle from afar.

● (1630)

Under this legislation and the related bills announced in the budget, the battle against inflation will be fought by those who must drive a car to work, by the employees who will have to pay higher unemployment insurance premiums, and by those who are unfortunate enough to be ill or bedridden.

Let me deal, first of all, with the increase in energy costs, particularly oil and natural gas. This budget will add to the energy costs of the Canadian consumer some $2 billion per year. The bill we are now discussing imposes a ten-cent gasoline excise tax at the wholesale level. By the time it reaches the retail level it will probably be in the neighbourhood of 12 cents per gallon. The $1.50 per barrel increase in the price of crude oil is imposed at the wellhead. By the time it reaches the gasoline pump it will probably be an increase of six or eight cents per gallon. Between the excise tax and the increase in the price of oil there has been added to gasoline, in all probability, 18 to 20 cents per gallon by the time the full effect of the present measures comes into operation.

It is true, as the Minister of National Revenue (Mr. Basford) pointed out this afternoon, that fishermen, farmers, construction contractors and manufacturers will get refunds. He also pointed out that professional groups such as doctors, lawyers, dentists and self-employed persons such as salesmen, insurance agents, real estate agents and other self-employed businessmen will be able to deduct this additional cost under the Income Tax Act.

The minister's statement this afternoon makes it perfectly clear, however, that the one group that will have no recourse whatsoever is the workers who have to drive a considerable distance to work. As a matter of fact, the minister went out of his way to point out that if an employer pays the expenses of an employee travelling to work, that will not be deductible. Money spent by a salesman or a professional person carrying on his or her legitimate business will be deductible, but there is no way by which a worker who will have this additional burden imposed upon him will be able to deduct it or get a refund.

I suppose one can understand that a government which is mainly associated with people who live in cities and metropolitan areas who think of driving as a luxury or pleasure, fails to recognize that there are thousands of small towns and hundreds of small cities and rural areas in this country where people live a long way from their place of employment.

In my constituency, workers who live in the small cities of Nanaimo and Duncan drive 30 to 50 miles to a sawmill, pulpmill or logging camp. There are longshoremen who live in Ladysmith and Nanaimo who are on call to go to a

port anywhere on Vancouver Island. That can involve a trip of 50 to 70 miles return. Yet there is no way in which they can charge off the additional cost of them as a result of this tax. The use of a car is not a luxury for them; it is a necessity. There is no way under the program and the detail which the Minister of Revenue announced this afternoon by which these workers will be able to pass on to anybody the additional cost in the price of gasoline.

If business or professional people have increased costs, they can pass them on as legitimate costs of their operation, but the workers cannot do that. The worker is limited to the normal $150 per year deduction for expenses, which is just as applicable to a bank clerk who does not have to buy tools other than a ballpoint pen and who has only to catch a bus. People whose travelling expenses will amount to hundreds of dollars per year will have to pay the extra cost out of their present income. Therefore, they will either have to lower their standard of living or demand higher wages. If they demand higher wages, the Prime Minister and the Minister of Finance will hold them up to the public as the main cause of inflation in this country.

The government has put forward three arguments to justify this ten cents per gallon increase for gasoline and the $1.50 per barrel increase in the price of oil which, as I pointed out, will cost the average consumer who drives a car anywhere from 18 to 20 cents per gallon. The first argument they put up is that raising the price will have the effect of reducing consumption. They tell us this was a conservation measure. As a matter of fact, Madam Speaker, all the evidence that can be procured indicates that rationing by the pocketbook has never reduced consumption. Take oil as an example. The price of a barrel of oil, from 1971 to 1975, increased from $2.90 to $6.50; that is, more than a 100 per cent increase, and it has been reflected in the increased price of gasoline. Has there been a corresponding reduction in consumption? No. As a matter of fact, consumption of gasoline in that same period rose by over 12 per cent. As a conservation measure, therefore, the increase in the price of gasoline and other fuels is not a remedy.

The second argument is that the government needs the ten cents per gallon in order to net $350 million this year—in a full fiscal year it will net much more—because they want to maintain a uniform price for gasoline across the country, and since there will be a deficit in the oil compensation payments this is the way to meet that deficit. Up until now the export tax has brought the government sufficient revenue to more than pay for the import compensation costs. This year the government thinks it will face a deficit—and it probably will—and therefore it is going to recoup its loss by placing this ten cents per gallon tax on gasoline.

I should like to point out that part of this $350 million could be secured by a much more rigid scrutiny of oil compensation payments to the oil companies. There is growing evidence that the oil companies have been ripping off the oil compensation fund and that they have been switching their deliveries of oil from high-price areas to low-price areas to enable them to collect the compensation payments and use the cheaper oil in other areas.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

● (1640)

Remember, we are not dealing with a few Canadian companies; we are dealing with the great multinational corporations which control 90 per cent of oil production in Canada, 99 per cent of oil refining in Canada and which can ship oil around the world to wherever they choose. They have deliberately manipulated oil imports to get the maximum out of the oil compensation fund. The government could save some money in that area.

If it is necessary to raise money in order to meet a deficit in the oil compensation fund, surely it ought to be collected on the basis of ability to pay. I heard some Liberal members argue that they did not want to see this deficit made up by increasing the income tax, since we should be taxing people who do not drive cars. There is a simple answer to that. If the government wants to raise this $350 million a year, it could impose an income surcharge on incomes above a certain level. Certainly, when you deal with the middle and higher income groups you are dealing with people who own cars and operate one, two or even more cars.

Mr. Gilbert: Do not forget corporation taxes.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As my colleague suggests, there is nothing to prevent the government imposing a small surcharge on this country's corporations in order to raise money and meet any deficit in the oil compensation fund. But the government did not choose either of those courses. It is not prepared to tax more heavily the comfortably well-off, nor the corporations. Instead, it puts on a flat tax of ten cents a gallon which everyone who drives a car must pay, including those who must drive in order to hold down a job. To me that is scandalous.

The third argument put forward by the government for imposing this gasoline tax and also for raising the price of oil from $6.50 per barrel to $8 per barrel is this: the government and the oil industry need the money in order to find oil and natural gas supplies for the future. I listened to the Minister of Finance on television on the night of the budget. He was holding a press conference and told the Canadian people that they must pay up today if they want to have oil and gas supplies tomorrow.

That argument is a fraud. There is no guarantee whatsoever that one dollar of the $350 million we are going to collect through the excise tax, or one dollar of the additional $400 million revenue which the oil and gas industry will get, will ever go into exploration for oil or the development of new supplies. Let us look at the experience of the last four years. As I said a few moments ago, the price of oil rose from $2.90 a barrel to $6.50 a barrel and the profits of oil and gas companies in the last four years have broken all previous records. The companies have never done so well.

Mr. Dick: Don't forget inflation.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Inflation has not risen by over 100 per cent in that period, I point out to the hon. member. The profits of the oil and gas companies of this country are the highest in our history. But what has been the net result in increased exploration

and development? Did they spend the extra money they got from the Canadian consumer, with the connivance of the government, on increased exploration? No, they did not. Exploration activity has gone down, not up, for the simple reason that the oil and gas industry held this government up for ransom and said, "We are not going to carry on exploration unless you raise the price still further." That is why the price has risen from $6.50 to $8 per barrel, and why it will rise even more. The pressure continues to be applied to the government. When the government tells us that by giving the oil and gas companies more money we shall be assured of future supplies of gas and oil, its argument is entirely spurious.

An hon. Member: We have a shortage now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As I said just now, 90 per cent of the production in this country is in the hands of foreign companies, which means that 90 per cent of the profits will go out of Canada. What assurance have we that even one dollar of those profits will come back to Canada to be used in the search for oil or to develop new supplies of oil and gas? There is no assurance at all, unless the government keeps giving the companies more incentives and more hand-outs as it has steadily for the last three or four years.

The other beneficiary of the increase in the price of oil and natural gas is to be the federal treasury. The federal government will collect an extra $450 million from taxing the oil industry and natural gas, in addition to the $350 million it will get from the excise tax of ten cents a gallon which it will use to meet the deficit in the oil compensation payments. Is the government to put any of this $450 million into exploration for oil? On the contrary, it has already announced that it will cut back on the money available for Petro-Canada. Petro-Canada this year will be cut back to $10 million. That is mere bagatelle with which to launch an oil company. No part of the $400 million which the oil and gas industry will get, and no part of the $450 million additional revenue which the federal treasury will get, is earmarked for exploration of development. So when the government tries to tell the people of Canada that they must pay through the nose now in order to be assured of supplies in future, it is misleading the public and deliberately seeking to confuse the consumers of this country.

The second group who are to be the main battlers in the Prime Minister's wrestling match in which inflation is to be wrestled to the ground consists of the workers of this country. They will be called on to pay increased unemployment insurance. When unemployment insurance was originally introduced in this country it was a great step forward. The federal government contributed a fixed percentage of the cost. Later, the federal government parsuaded parliament to amend the legislation in such a way that the federal government was not to contribute anything until unemployment went above 4 per cent. Now the minister has announced that the federal government will not contribute anything until unemployment exceeds a floating eight-year average.

The Acting Speaker (Mrs. Morin): Order, please, I regret to interrupt the hon. gentleman but I am afraid he is straying from the subject matter of Bill C-66, which is an act to amend the Excise Tax Act. I suggest that unemployment insurance is not relevant.

Mr. Douglas (Nanaimo-Cowichan-The Islands): With great respect, Madam Speaker, may I point out that when the Minister of Finance spoke in the debate on this bill, he spoke about much more than the ten cents a gallon tax, as did other speakers. May I also point out that I am using unemployment insurance payments to illustrate the thesis I am seeking to develop, namely, that the ten cents a gallon tax to be imposed under Bill C-66 is discriminatory and in line with the government's fiscal policy of placing the burden of fighting inflation on those least able to bear it.

● (1650)

I point out, as an illustration, the fact that the government will not be contributing to the unemployment insurance fund until unemployment exceeds a floating eight-year average. This means that this year it would make no payment unless unemployment rose above 5.3 per cent. Next year they would make no payment unless unemployment exceeded 5.8 per cent, and in 1977 no payment unless unemployment exceeded 6 per cent. This would impose, in 1976, on employers and employees in Canada an additional burden of $350 million and, in 1977, an additional burden of $500 million.

The point I am making is that while the employers will be able to pass on this increased cost to the public in the price of the goods they sell, the workers will have to pay this out of their pockets in the same way they will have to pay the ten cents a gallon tax on gasoline out of their pockets. While the business community can pass on this increased tax and increased unemployment insurance payment, this cannot be done by the workers of this country.

I wish to give another illustration. The government intends to use as the shock troops in the fight against inflation the sick, diseased and bedridden of this country. Here the principle is exactly the same. The government calls for sacrifice to cope with inflation, but who is going to suffer? The Minister of Finance announced that the government is giving the required five years' notice to the provinces that they intend to pull out of the hospital insurance plan. He announced that they propose to put a declining ceiling on the increased contribution they will make to medicare. This year medicare costs are anticipated to go up by 16.6 per cent. However, the government says that next year it will only contribute on an increase of up to 13 per cent, the following year up to 10.5 per cent, and the year after that up to 8.5 per cent.

Mr. Lalonde: Talk about the bill.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Minister of National Health and Welfare (Mr. Lalonde), who is interrupting but not from his own seat, and I can understand that because it must be a pretty hot seat to sit on—

Mr. Lalonde: Why don't you talk about the bill?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I can understand the Minister of National Health and Welfare not wanting me to talk about health insurance and medi-

care, because in the question period he told the members of this House that the announcement by the Minister of Finance would not cause any person who is sick to suffer any hardship. He ought to know—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is straying from the bill. I repeat, Bill C-66 is an act to amend the Excise Tax Act. I refer the hon. member to Standing Order 34(2) which reads as follows:

Mr. Speaker or the Chairman, after having called the attention of the House, or of the committee, to the conduct of a member who persists in irrelevance, or repetition, may direct him to discontinue his speech, and if then the member still continues to speak, Mr. Speaker shall name him or, if in committee, the Chairman shall report him to the House.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, I could not imagine any more charming person to name me than yourself. I should like to point out that this debate has ranged over a very wide field. No one sitting in the chair stopped the Minister of Finance or the other speakers who dealt with the implications of the budget, not only with respect to this legislation but the other legislation that will flow from the budget. I recognize, Madam Speaker, that you were not in the chair, but I do not think the conduct of the Chair should alter according to whoever happens to be in the chair at any particular time.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I was in the process of concluding by pointing out that when the Minister of National Health and Welfare tells us that no one will suffer, he overlooks the fact that the provincial governments are already carrying programs not shared by the federal government to the tune of $1.5 billion a year, and have already announced plans that will cost another $800 million a year. If the federal government carries out its announced intention of reducing the amount they will pay in the event that the costs exceed certain levels, the provincial governments will have only these alternatives: they will either have to abandon pharmacare, denticare and some of the other programs they are launching, impose sales taxes which are already as heavy as can be borne, impose a per capita tax on every family in the province, or impose deterrent fees. If deterrent fees are imposed, this country will be taking a backward step.

Mr. Lalonde: You are out of order.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Minister of National Health and Welfare knows this better than anyone else, but all he can say is that I am out of order. I am telling him that he is out of step with the people of Canada; he is out of step with the thinking of the Canadian people. He will be the first minister of health in any western industrialized country to go back on a program which until now has been a success. Therefore, Madam Speaker, on the basis of the ten cents a gallon tax on gasoline, the increased price of oil, the higher premiums which workers will have to pay for unemployment insurance, the fact that the people of Canada will have to carry at the provincial and municipal level, and personally, a much higher share of health services, this indicates that this government has no sense of responsibility.

The Prime Minister promised the Canadian people in the general election of 1968 that he was going to build a just society. The Prime Minister likes to quote the poem that the universe is unfolding as it should. I say to this House that what is unfolding in Canada is a society which is neighter fair nor equitable, a society in which the well-to-do take the plums and the common people take the rap.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Immigration—Reason for detention and interrogation of Dr. Fayez Sayegh, an Arabian diplomat; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian Broadcasting Corporation—Availability of Corporation's educational films to schools—Government action; the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Dismissal of Messrs. Cho, Chew and McGuire by CN Telecommunications—Request for report.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (p. 7416).

The Acting Speaker (Mrs. Morin): The hon. member for Victoria-Haliburton (Mr. Scott). Is the hon. member for Ottawa West (Mr. Francis) rising on a point of order?

Mr. Francis: No, Madam Speaker. You have recognized another hon. member. I hope I will be recognized next.

The Acting Speaker (Mrs. Morin): I will recognize the hon. member for Ottawa West after the hon. member for Victoria-Haliburton.

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I was very interested in listening to the Minister of

National Revenue (Mr. Basford) expound this afternoon on what will turn out to be nothing but a witch hunt. I was very disappointed that after the minister made his speech, he left the chamber. I was also interested in the simplicity of the forms he intends to circulate. I have seen a lot of government forms and not many of them have been simple.

● (1700)

I am disappointed in a government which has no faith in the Canadian people. That is exemplified by this government in Bill C-66. I do not dispute the ability of the members of the minister's department, but I think he is giving them a big job. I was also disappointed when the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) asked the minister to table the forms which apply to people eligible for tax refunds and he refused to do so.

This is a government which runs on subsidies and refunds. This is another subsidy they want to hand out, but first they have to take the money from the people. When I was preparing my remarks on this bill it occurred to me that I put a question to the Minister of Energy, Mines and Resources (Mr. Macdonald) concerning the price of gasoline at the retail level. I think it would be interesting to refer to my remarks as reported at page 3664 of *Hansard* of February 28 of this year. My question was as follows:

In view of the wide discrepancies in the price of gasoline which now varies as much as 14 cents per gallon between service stations for regular gas, will the minister look into this ridiculous situation?

The minister replied:

The government has never attempted to monitor gasoline prices at the retail level. It seems to me that because of the current surplus of products there is extensive competition, at least in some communities, at the retail level. On the whole, I would think that kind of competition would favour the consumer rather than work against him.

Mr. Speaker, I did not ask the minister for a sermon on the merits of competition in the gasoline market. I asked him to look into the situation to see how the industry could sell a product of the same grade at prices which varied as much as 14 cents a gallon, bearing in mind the low margin of profit received by service stations on a gallon of gas. Instead of looking into the matter, what we got from the government was unwarranted interference in the retail sales of gasoline; what we got from the government was taxation by decree instead of by the traditional method of tabling tax bills in the House. To be sure, we are debating the legislation to increase the excise tax, but we are debating it after the fact.

On the night of the budget speech, the operators of gas stations were thrown into a state of chaos. They were not sure whether the Minister of Finance (Mr. Turner) could raise the price of gasoline simply by making a statement in the House. They were not sure whether they should raise the price right at that moment. Most service station operators are early risers; they have to open their stations in order to serve other people who need to get an early start. I suppose the average opening time would be about 7 a.m.

The minister said on the night of June 23 that gasoline prices would rise as of that moment by ten cents a gallon. Surely the minister knows there are mechanical and technical problems involved in the changing of the pricing mechanism on gasoline pumps. It is obvious the minister did not take any of these things into account when he made his announcement. It would appear he placed the burden of responsibility for making the change on the individual operators.

The minister has not explained why the government imposed the tax by decree instead of by tabling legislation and allowing retailers and wholesalers at least a few days in which to prepare themselves for the change. An implementation date of July 1, for instance, would have allowed operators time to dispose of oil inventories and then to impose the increase only on gasoline purchased at the new price.

Apart from the way in which it was done, my chief concern over the price increase is that it will impose a further hardship on tourist operators. My riding of Victoria-Haliburton depends to a very large degree on tourism to average out the economic level, and the increase in gasoline prices will not only affect the operating costs of tourist businesses but will also constrict the travel plans of vacationers at a time when we are all trying to encourage Canadians to spend their vacations in their own country; at a time when we are spending millions of dollars on such things as "See Canada First" programs.

Last year, the government imposed a 10 per cent increase in federal taxation on boats and motors, thus posing a threat to the tourist industry and to the power boat and motor industries in this country. After considerable debate, the tax increase on boats was rescinded but the increase in the tax on small motors remained. Now there is a new tax increase on gasoline, with the threat of a further increase next month.

I have to wonder at times whether the government is deliberately trying to scuttle the tourist industry in areas such as I represent. I would be interested to know the amount of real income the government will realize from this tax increase compared with the loss of revenue the tourist operators will suffer. It is no wonder that many people who have spent their working lives in the tourist business are asking whether it is worth the trouble. To a large degree, a tourist operation is a gamble. Just one bad season caused, for instance, by a wet summer, could very well finish off an operation which lacked a strong financial reserve.

There are a number of questions which must be answered with reference to this tax on gasoline. In the first place, it would be interesting to know just how much revenue the government will receive from this tax. According to the latest figures of which I am aware, the amount is likely to be roughly $525 million a year. It should be remembered that merely to collect this amount of extra revenue will cost a good deal of money.

● (1710)

I should also like to mention that the preliminary estimate of the number of those who will be entitled to the gasoline tax refund is between 750,000 and one million. The number of refunds claimed will be considerably greater than the number of eligible refund claimants owing to

multiple claims by one claimant during the year. Refunds are expected to total $170 million in this fiscal year, implying a ratio of $1 refunded to every $3 collected.

How is the government going to police this? The Minister of National Revenue made reference to this and said that no bills would be required. We expect Canadians to be honest people, but I think we will have a real witch hunt on our hands here. The Unemployment Insurance Commission is a prime example of what I mean. They have a witch hunt on now, and I am convinced that they are much better equipped to handle it than the Department of National Revenue will be when it comes to collecting this new tax. I think we will have to require bills. I am quite sure in my own mind that bills will be demanded if there is a dispute as to the amount of rebate an individual is claiming. I know this will happen, yet the minister says no bills will be required. I cannot accept that, Madam Speaker.

New section 47 of the act provides for the refund of the gasoline tax to certain types of users of gasoline, such as farmers, commercial fishermen, hunters and federal and provincial agencies. The bill requires those who qualify for the refund to set up accounting procedures, to keep records of gasoline used and the amount of gasoline refund being applied for. This imposes an additional burden upon the users of gasoline. I venture to say the government expects that a great many people will probably not qualify for a large return, and rather than go to the trouble of filling in an application form, simple though the minister says it will be, they will forget about it and file no application. The government is depending on this additional revenue from people who do not trouble to claim a refund. Besides the time and trouble involved, it would also add to the expense of operating a farm or other small business enterprise. The federal bureaucracy is growing so many tentacles that at its present rate of growth it is only a question of time before those tentacles strangle smaller businesses, and only those businesses and industries that are strong enough to absorb this economic punch that is being thrown by the federal government will survive.

As mentioned by previous speakers, I think the government has forgotten the army of commuters travelling to work today. This is a problem, again, due to the lack of adequate housing in areas close to industry. Many of the major arteries into our cities carry large numbers of cars driven by workers commuting back and forth. These people will be penalized, something I do not think the government has taken into consideration. If we had proper accommodation provided for these people in our urban centres, this would relieve our highways of much congestion. But again the government has forgotten about this. Many hundreds of people in the rural riding I represent commute 90 or more miles back and forth to work per day each way.

Returning to my opening statement, the government could have used this opportunity to equalize gasoline prices from one province to another. If the government is so interested in this vital natural resource, why has it not done something to equalize gasoline prices? There must be something wrong. The government has had plenty of time to do this. One gas station in a given area sells gasoline for 14 cents a gallon less than another sells the same grade: does that not warrant an inquiry? As far as I am concerned, Madam Speaker, it does.

The spread between prices in various regions remains the same, so again I say this tax is simply a means for the government to raise additional revenue. Equalization simply was not in the finance minister's planning when he tabled this legislation, so we will continue to have a wide range of prices for the same product from gas station to gas station, from province to province and from region to region. It is almost as though the government is saying that if we want to live in certain parts of Canada we must be prepared to pay a penalty.

In his budget speech the finance minister wandered all over the lot, and when he did manage to touch base now and again it was to tell us some more bad news. The minister could have used this opportunity to tell the country that the government was prepared to take whatever steps were necessary to see that low interest loans would be made easier for small businesses to obtain. Some of my colleagues have already asked whether the government plans to use the revenue from this tax increase to provide low interest loans to small businesses, such as gasoline service stations. The answer has been given that the government has no intention of using the additional revenue for such purpose. The revenue is going into general revenue to satisfy the government's appetite for more money to spend.

I have received letters and calls from many people in my riding telling me that they cannot get loans to improve their businesses, which the government has been offering at 8 per cent interest. The simple reason is that the banks are not interested in lending money at 8 per cent or 9 per cent when they can get 13 per cent on the same money. There is no way the banks can be forced to lend money to small business operators of the kind I have mentioned, or to anybody else, at low interest rates, so these people end up—

The Acting Speaker (Mrs. Morin): Order, please. Again I repeat the remarks I made a while ago. We are dealing with an amendment to Bill C-66, which is to amend the Excise Tax Act.

Mr. Scott: Thank you very much, Madam Speaker. My reference was to the gasoline industry and to the problems encountered by small business operators. I am also getting complaints from people who tell me that old customers are now pulling up to the pumps at their service station and asking for $2 worth of gasoline, whereas previously they bought a tankful.I know this to be the fact because I have witnessed it myself as well as having had complaints about it. These people say they can buy gas cheaper at stations down the road. As a result, many small, established businesses and filling stations are going to be ruined.

Every community in Canada, large or small, has its service stations, and in many of these smaller communities the service station is the backbone of the town or village economy. In addition to selling gasoline and oil, the service stations keep automobiles, commercial vehicles

and farm vehicles in working order, keeping this business in the local area and contributing to the economic growth of the community. In areas such as my own riding of Victoria-Haliburton they also serve the tourists who come to visit the area.

It has been suggested that the real reason for the increase in the surtax on gasoline is that the government wants to try to conserve petroleum products and that increasing the price is one way to do this. If that is so, then the government is certainly mixed up. The Minister of Energy, Mines and Resources told me in this House in February that there was a surplus of petroleum products. Everyone knows that you do not get people to stop drinking, smoking or driving simply by increasing the price of cigarettes, alcohol or gasoline. The people who can afford it will still buy gasoline, just as they continue to buy alcohol and cigarettes. It is the people who can least afford the price increase on gasoline who will be hurt, just as they are the ones who are hurt most by any other tax increases.

● (1720)

What will happen to the people who will be forced to spend more money on gasoline? They will ask for more money from their employers. This will add to the inflation. This tax will represent another means by which this government contributes to inflation. This is the government that told us it intended to wrestle inflation to the gound.

I must say that no explanation on the part of the government will satisfy me that there is a justification for this latest increase in the price of gasoline. When one considers that the government estimates it will spend $30 billion in running the country in the coming fiscal year, it certainly seems odd, to say the least, that it requires the paltry $300 million to $525 million that will be raised by means of this tax. I say "paltry" because it seems this government considers any sum under $1 billion to be paltry.

There is a story that has gone the rounds for years concerning the mountain climber who was asked why he climbed the mountain. He replied that he climbed it because it was there. I am wondering whether the Minister of Finance decided to place a tax on gasoline on June 23 simply because it was there. When the minister has finished clearing up the mess in respect of collecting refunds in relation to this gasoline tax, I think he will wish he had looked elsewhere for additional revenue. Now we have been told by the Minister of National Revenue that the government will tax the refund in respect of commercial users of gasoline. Here we have another example of the government contributing to the costs of individuals.

Now I should like to deal with the record of the government in handling the oil situation. In the winter of 1973-74 the government created what I believe was an artificial crisis in respect of fuel oil. We were told by the minister that there was a huge shortage of fuel oil. There was no shortage, but the price of home heating oil was increased. We see from *Hansard* for April 2, 1974, that the government paid 99½ cents per gallon for Rumanian oil while the world market price for oil was only 89 cents. Later, in *Hansard* for April 11, 1974, we note that the quality of the oil was so poor that the government received offers for it of 15 cents a gallon.

The Acting Speaker (Mrs. Morin): Order, please. I fail to see the relevance of the hon. member's comments to the amendment or the bill under discussion. Perhaps the hon. member would limit his remarks to the bill.

Mr. Scott: With all respect, Madam Speaker, may I say we are still dealing with the oil situation. However, I shall move on. The gas tax and increases in the cost of home heating oil will generate revenue of about $2 billion. Once again, however, this amount will not go to the government for the purpose of expanding supply. This $2 billion in national revenue will certainly make up for the elimination of the 5 per cent tax on insulation building materials. I stress "insulation building materials". Back in 1974, as a party we advocated the dropping of the 11 per cent tax on building materials. The government gradually climbed down the ladder; it reduced the tax from 11 per cent to 5 per cent. Now the 5 per cent has been eliminated in respect of insulation materials. I do not know why the government did not go all the way and drop the 5 per cent tax on all building materials.

An hon. Member: That would be too sensible.

Mr. Scott: That is right, it would be too sensible. This blatant tax grab will have severe repercussions in the province of Ontario. It is estimated that the increase in the cost of fuel alone in Ontario will eliminate 15,000 jobs. It will certainly hit very hard the auto industry in Ontario. There is no emergency at present that would justify the undermining of the livelihood of as many citizens as will be the case in respect of this bill.

In closing may I say that because of the representations made by many members of this House, chiefly opposition members and a few members on the government side, in respect of this unwarranted tax and the effect it will have on the Canadian economy, I hope the minister will review the situation and withdraw this bill.

Mr. Lloyd Francis (Ottawa West): Madam Speaker, if there was any question about a silly season in Ottawa, I think it is quite evident it has arrived. The proof of it is clear. Even as I rise now, speaking on the government side as a backbencher, there will be those who will say I am prolonging the debate. Last night the hon. member for Winnipeg South Centre (Mr. McKenzie), speaking on the other side, complained that no Liberals had spoken in the debate on that day. We on this side are damned if we speak to defend the measure before us and we are damned if we do not rise.

I say it is a silly season. All members know that the weather gets warm in Ottawa in July and August. The hotter it gets, the more perverse hon. members become. Each side says publicly it does not mind sitting, while privately it says something else. As a local MP it is easier for me to come here than it is for some others. Some hon. members, however, seem to treat these sittings as a form of penance for having received a salary increase recently.

The Acting Speaker (Mrs. Morin): Order, please. I regret interrupting the hon. gentleman but I should remind him that we are dealing with Bill C-66. Would the hon. member confine his remarks to the bill.

Mr. Francis: Madam Speaker, I think my remarks are relevant to the bill. Few hon. members opposite have reached the point of the hon. member for Peace River (Mr. Baldwin), the House leader for the official opposition, who is quoted in this morning's *Globe and Mail* as saying that the government has been tampering with the air conditioning system to bring the opposition to its knees. I have a direct quotation from the *Globe and Mail* of this morning in which it is stated that the hon. member charged that the government has resorted to this measure to try to bring an end to the debate on Bill C-66. I cannot suggest a more direct proof of the silly season.

Every conceivable point that could be made in this debate has been made many times over. From previous experience, I look over to the other side of the House and wonder when the vote will come. It could not have come last night because there were not enough MPs present on the other side. Today it looks better. If a vote does not come soon, then we will see a corporal's guard do duty for each party and nothing will pass the House. I remember the summer of 1964 when we sat all summer on the flag debate. Eventually it was terminated by closure. Hon. members may well ask: Why are we here? Surely at this stage no one will be persuaded by reasonable arguments to change his or her vote.

● (1730)

Why does this charade go on? All hon. members are in favour of a one price system for petroleum products, with allowances for local transportation costs across Canada. In order to find the extra $350 million needed to subsidize foreign crude oil imported into eastern Canada, the government has proposed a tax of ten cents per gallon on gasoline, with rebates for commercial and industrial users.

No one likes a tax, and it is a great thing for the voters back home to fight taxes. Some say that the government should have made savings in other programs, without specifying where, or else that a program such as that carried out by Information Canada be abolished, which would by no means provide the sums of money needed.

Others say the subsidy should be financed out of general revenues. This is a good problem for economic theorists: comparison of the merits of a user tax versus a combination of personal and corporate income taxes. I am by no means satisfied that non-automobile owners, frequently elderly and retired, should be taxed to pay the import subsidy on gasoline. On the other hand, we all recognize that many people who have no choice but to travel to and from work by private automobile are hurt by the ten cents per gallon tax. But, as I said, it is a debate that the academic theorists can go into until the end of time.

Unfortunately, there is no perfect tax. The present measure appears, in my view, to be as good, as practical, and as fair as any that can be proposed in the present circumstances.

Some hon. Members: Oh, oh!

Mr. Francis: I hear interruptions from hon. members opposite in the NDP. They have their own whipping boy. It is all the fault of the multinational oil corporations. I am not prepared to say that these corporations may not have taken advantage of the situation to improve their profits. That is possible. But last night in this House the hon. member for New Westminster (Mr. Leggatt) cited the profits of Imperial Oil and said they were on strike, not doing exploration for new oil. When I pointed out that Imperial Oil has the largest exploration budget in the Mackenzie delta in its history, the hon. member for Nickel Belt (Mr. Rodriguez) shouted "Yes, but they are spending our money". The logic of these arguments escapes me.

[The Acting Speaker (Mrs. Morin).]

One thing is clear; the NDP has a new leader, or is it the same old one? And they must make a noise. They have taken the old drum, put a new coat of paint on it, and are beating it hard. The new-old leader announced on radio that he would keep the House here all summer on the Unemployment Insurance Act changes. Since the government did not oblige him by calling this measure for debate, his group have since been trying to make all the political capital they can out of opposing gasoline taxes.

The real opposition to the excise tax on gasoline comes from the official opposition, the Conservative Party. As everyone knows, this party really has no policy on the petroleum issue. In western Canada they rally round the Premier of Alberta, Mr. Lougheed, and demand that the so-and-so easterners pay more for western energy. In eastern Canada they bleat for the consumers, echoing Premier Bill Davis of Ontario. By opposing this special tax they can agree on something, and hide the differences in their ranks.

The real difficulty, Mr. Speaker—and, I suggest, the clue to this debate—is to be found in the fact that an election is to be called in Ontario very soon. After groping for an issue, and finding none, Bill Davis consulted his opinion polls. Last spring they told him that he was not doing so well.

Now Bill Davis has found what he hopes will be his fighting ground. He is going to campaign, it seems, against the federal budget. He will help the North American automobile industry, and will stimulate more housing activity. Finally, he proposes to be a great friend of the gas-buying car driver by a program that will delay still further any increase in gas prices due to raising the price of crude oil.

The Minister of Finance (Mr. Turner) had increased the basic price of western Canadian crude oil from $6.50 to $8 per barrel effective July 1, equivalent to five cents per gallon retail. Because of existing stocks many refineries stood to make windfall profits if they had been allowed to increase their prices immediately. They were asked to delay price increases for 45 days; this is until August 15. Premier Bill Davis went one better; he extended the freeze for 90 days—that is until September 30.

Some hon. Members: Hear, hear!

Mr. Francis: I hear hon. members applauding, including my friend from eastern Ontario. But we in eastern Ontario are most apprehensive about what will happen to us in the period between August 15 and September 30. Our gasoline comes from Montreal refineries using imported crude. As the Minister of Energy, Mines and Resources (Mr. Macdonald) pointed out, Montreal refineries, on the average, have smaller stocks of refined products than the refineries serving Toronto, based on western Canadian crude. Ninety days may not work as much of a hardship for the large

Toronto refineries, but many Montreal refineries will be using $8 per barrel oil long before Bill Davis' 90 days are up.

What will happen then? Will these Montreal refineries refuse to ship refined gasoline to eastern Ontario, including Ottawa? Will there be line-ups at the gas pumps? Or will Dr. Claude Isbister, an economist newly appointed to look into these matters by the government of Ontario, persuade Bill Davis that eastern Ontario gas prices will have to follow the same pattern as prices in Montreal? In that case Ontario will have its own two price system for gasoline for 45 days—a lower price for Toronto, and a higher one for eastern Ontario. But, as they say, Toronto is where the provincial action is. At this stage I confidently predict a provincial election to be called in Ontario, to be held before September 30. Eastern Ontario will not really count when the time comes.

Mr. Knowles (Winnipeg North Centre): Tell us how it will come out.

Mr. Francis: I do not have the capability of predicting the future. I have learned from my own previous experience, and I am a little timid about making predictions. I would simply say that I am confident voters in Ontario will come up with the right choice.

I appeal to hon. members from all opposition parties to put an end to the silly season in the House of Commons. Let Bill C-66 and the amendments come to a vote. There is really no further political capital to be made in prolonging this debate.

Some hon. Members: Hear, hear!

● (1740)

[*Translation*]

Mr. Roch La Salle (Joliette): Madam Speaker, I am quite pleased to take part in this debate. I know that several members are asking questions, given the length of the debate, but we believe on this side of the House that it is our duty to refute and fight that legislation which will surely sorely try a certain group of people, namely the workers. This is why we cannot accept such a legislation compelling a very special group, that is the low income group, to attain the objective of this budget—essential according to the government—which amounts to $500 million a year.

I heard a few minutes ago the Minister of National Revenue (Mr. Basford) coming up with fancy ideas and suggesting that the three parties of the opposition could be blamed for the delayed refunds, because the bill not being passed, the Department of National Revenue is unable to make the necessary refunds. It would perhaps have been advisable to vote that legislation before enforcing it. Then there would have been no delayed refund.

If we really wanted to examine the difficulties that this bill will bring to a very particular class of people that the workers are, it might not be necessary to make refunds because I felt, and I still do, that it might have been possible to recover that money that seems to be necessary to reach the objective of a single price across Canada, perhaps through income tax.

We are wondering seriously. Why those exemptions? Why those exemptions for certain classes of people who can afford a lot more to pay than the working class? I will limit myself once again in this debate to reflecting the sufferings and difficulties caused to that working class that cannot get out of it otherwise. Exemptions are awarded to certain classes that are certainly in better position to meet the objective of the government that seems necessary—the budget—but that lets the workers support this weight.

I heard several members and I read over several speeches. In our ridings, Madam Speaker, all members, government members as well as opposition members, witnessed scores of representations made by voters who plead with the members of every riding to make the government see reason on this legislation that we regard as discriminatory and unfair. We regard it as such and we believe we are right. We know quite well that it is the same thing for government members, Madam Speaker. We know the system. There is no mistake about it. So should we defend the minister even if he is wrong? But in the circumstances we are being accused of delaying this debate. However, I would like it to be said out loud. We think we are discharging a responsability we have in this House of not supporting a legislation when it is bad. Of course, the system often leads us—on both sides of the House—to exaggerate on certain measures. But on Bill C-66 which provides for the increase and the recovery of $500 million a year to be paid by a class of workers who have no chance of getting out of it, we are going to fight that legislation, Madam Speaker, and I think we are right in doing so.

Last week I listened to the hon. member for Skeena (Mrs. Campagnolo) when she said she was courageous enough to implement an unpopular measure. An income tax increase is always unpopular, but I think it is more fairly distributed than the legislation now before us.

But if we go back to the eve of the election a year ago, it is clear that no one would have dared introduce such a measure, and today, considering the good mood in which the government seemed to be a year ago, such measures are proposed. This afternoon, I pointed out to the Minister of Agriculture (Mr. Whelan) a decision of his department that is hurting a group of dairy producers which had been promised a fair return. But through another measure the left hand takes away what the right hand had given them. Similarly, it is said with haste that taxes were not raised in the new budget. But in an oblique way, workers have their pockets picked of a tax nothing but direct.

And as far as we are concerned, we believe our duty is to fight a legislation that appears to be most unfair. For these reasons, we will go on urging the government to show more concern, more perception, and of course more fairness to all Canadians.

We have no contention with the single price of gasoline throughout Canada, but we cannot accept the way in which the money is to be picked in one group's pockets.

As was stated earlier by one of my colleagues, such a measure goes a long way toward antagonizing both the provinces and the tourist industry already burdened by inflation. Clearly, such a measure is most harmful to

tourist operators. It has also been suggested by another member that normally gasoline taxes are imposed by provinces to the extent needed for the construction of highways.

These provinces are antagonized once more. The government might say: Let provinces impose additional taxes. But we know perfectly well that there is a limit to that, and with this very heavy burden the provinces will be reluctant to seek the extra money needed to improve highways. We have there another negative effect of this legislation. We are trying to draw the government's attention to the shortcomings of this bill, the difficulties in implementing it, and it is our responsibility to remind the government of its own responsibilities.

It is not for the fun of it that we have been discussing this legislation for something like 10 days. And if it means discussing it 10 more days, I believe our responsibility is to do so, as recommended by our constituents.

How many of our constituents, as of today, have been asking us not to pass the bill, to make every effort to stop it. Some hon. members apparently think this is amusing. They should first explain it in their constituencies. How is it possible to suggest that people are against it in my constituency, but in the next one people favour such an increase?

Naturally, the minister spoke of that redistribution, of levying that unfair tax, and also of the categories that will be exempted. If he will give us the assurance that all the workers who have to use their cars to get to work will also be exempted, I think we could then make a compromise fairly quickly. Let him make us that proposal. Then, to my mind, we will not have pleaded for a bad cause, but will have won over the government to a far more humane bill, because the bill now strikes us as being unacceptable, and of course most unfair.

● (1750)

Under the circumstances, we must therefore continue to ask the government to lend us an attentive ear.

It is hard to understand, considering all the difficulties we have had in the last few years, the effects of a budget which was intended to be anti-inflationary when in fact it will be anything but. Even now, everyone recognizes that it will result in an increase in the cost of living. Yet, the budget was introduced as a measure to check inflation. This bill will achieve exactly the opposite. We therefore fail to understand the position of the government and its refusal to come back to its senses and redistribute the levy required to achieve its objective, but leaving out of it the poor worker, who has been tortured enough in the last few years, and who will now know greater difficulties because of a bill no one would have dared introduce on the eve of an election, which everyone knows. But the government has a majority, and elections will be held in four years.

They could not care less about the difficulties the bill will create. Of course, we will be blamed for prolonging the debate, because we have enough conscience to want to reply. Because we insist on doing so, we choose to oppose this bill. A few government members rose and tries to justify the actions of their government. We understand this system, but I do not believe, Madam Speaker, anyone can be truly honest in letting the burden of that legislation fall on the shoulders of that group of workers instead of applying it in a much more equitable way.

Madam Speaker, when the Minister of National Revenue (Mr. Basford) talked earlier, it was clear to anyone who can read between the lines that he wanted to let the public know that refunds might be delayed because the opposition is objecting to that measure. But we repeat he can keep those refunds, because as far as I am concerned, Madam Speaker, we shall object for quite a long time to that legislation which we consider unfair. And I think it is the duty of the opposition to oppose the government which introduces such an unfair and unacceptable measure which discriminates against a particular group of citizens. I dare hope we will object to that measure until the government will water its wine and consider a more equal distribution. Madam Speaker, we only want that money to be distributed and collected if necessary. And we think it is necessary, there is no doubt about that. We have the same ends as the government, but not the same means. And that is the important point.

As I said earlier, I read again several speeches. How come that after so many speeches have been made, after so many members got information in their constituencies and were made aware of the difficulties their constituents were faced with, we are the only ones on this side of the House who believe this legislation to be a bad one? It is unthinkable! Any honest minded person, Madam Speaker, will agree with the good arguments which were put forward on this side of the House. And there are good, true arguments, and the public is asking for and demanding a very strong stand against such a discriminatory legislation, as I said earlier.

Therefore, it is not by letting the Canadian people believe that we are going to delay the refunds that we will increase our credibility. I repeat that, truly and honestly, this legislation should not have been applied before it was passed and the debate over. This fierce battle that we are waging against this legislation could certainly have been prevented, had the government assumed its responsibilities and applied this legislation only after it was duly adopted. The government wanted to apply it before it was adopted, and it will not be long before it accuses us of delaying payment of refunds. I do not believe that this argument weighs much against ours, Madam Speaker. I feel that we are meeting the wishes of a group of people who had enough difficulties as it was without having to face new ones, and it is in the interest of the workers who need to use their cars daily. Some hon. members have indeed referred to public transportation in a number of larger communities. Maybe adequate public transportation does exist, but we are all perfectly aware that public transportation services are inadequate in thousands of municipalities where workers must cover long distances to get to work.

Therefore, the argument of the Minister of Finance inviting the public to use public transport will not be valid as long as the government has not done more to better organize these services. The public is therefore invited to use a tool which does not exist in several areas. We find these arguments very weak and not applicable to the potential of an area or a society who needs them.

The government should not repeat that it has the courage to apply an unpopular measure. Through the income tax, it could have decreed a certain increase which would not have been popular, but would have been much fairer than making a certain category of people pay the price of this policy. It is with this in mind that we shall continue to ask the government to better understand the difficulties that this will cause for workers and that we shall try to make the government understand that our interventions are motivated by the requests of our constituents. Indeed, I am convinced that constituents of the government members have already shown their concern and asked their representatives in Parliament to urge the minister to propose a better distribution as concerns his objectives. In view of the circumstances, we believe that we are doing our duty even if certain government members are under the impression that we are delaying the proceedings of the House on purpose. I do not believe that we are delaying unduly the debates, but this gives us an opportunity to repeat, as we must, that the government does not seem to understand that this measure is unfair and discriminatory. We cannot repeat this too much.

An hon. Member: Is the hon. member leaving us for the provincial government?

Mr. La Salle: And I want the population to know that the opposition is doing its duty in this debate and that it will do so conscienciously. I also invite Montreal members, and those from other areas, to speak up. If there is agreement about the fact that the worker must be the only one to bear the burden of this legislation, let us say so and let us remember—

An hon. Member: Will the hon. member speak a little louder?

Mr. La Salle: We do not agree—

An hon. Member: You will make the headlines.

Mr. La Salle: —with the fact that the government should apply such a measure.

Maybe hon. members should rise more often. If they are tired of headlines, they will surely not have the best headlines by remaining silent as they now do and by supporting their ministers with a silence that proves to be intellectually dishonest. I, as well as the population, deplore such silence. For us, on this side of the House, this is no pleasurable experience, I am sorry to say, because I regret still being here in this House fighting such a piece of legislation, and all my colleagues would like, as is the case for many members, to end this session on a pleasant note. We have to bear this responsibility, we have commitments, and we would be making a serious mistake if we were to leave the government pass so bad a piece of legislation in such an easy way. And the population would blame us. Nevertheless, the legislation will pass.

An hon. Member: Is the hon. member leaving for his holidays?

Mr. La Salle: We want the population to be witness to this discriminatory measure on the part of a government which casts aside the interests and problems of a part of our working population. That is our goal. I feel that we are thus carrying out our responsibilities as members of Parliament. Members opposite us have also made commitments during the last election campaign, when they promised a just society. We are still a long way from such a society. Simply have a look at our legislation, such as the bill on unemployment insurance which is still more unjust that the one before us now. Rest assured, that one is far from being passed. We have a part to play, we are going to play it, and from now on we are going to play it with regard to measures that prove harmful to our society, and it will be no fun. I wish to reassure my colleagues sitting opposite. We will not let such bad and unjust laws get through Parliament. From now on, we will do our utmost to make the population aware of such a bad piece of legislation and of the government's lack of sincerity.

An hon. Member: Petty politics!

An hon. Member: Is the hon. member leaving tonight? Happy holidays!

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until eight o'clock tonight.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Some hon. Members: Question.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I am extremely pleased this evening to discuss Bill C-66 meant to enforce some budgetary proposals which the Minister of Finance (Mr. Turner) presented to the House on June 23 last and especially those concerning amendments to the excise tax.

I remember well, Mr. Speaker, that during his budget speech the Minister of Finance stated concerning the 10c. tax on gas that he wanted in the first place to finance the subsidy which would enable to maintain a flat price for oil throughout Canada and thus promote the conservation of energy. I admit that the government must take some steps to find additional funds to subsidize oil but to compel once again the average wage earner to foot the bill, this is something else! I entirely disagree with the Minister of Finance on that point.

There is no doubt that through this bill, the government is trying, by every possible means, to increase its revenue, but it is extremely deplorable that once again the average wage earner, particularly, is footing the bill. In mentioning that, I think immediately of the person who uses his car to get to work and earn his family's keep. The car is not a luxury to him, but a real necessity. He will have to buy gas, regardless of its cost.

Mr. Speaker, the 10-cent tax a gallon of gas will net the government something like $525 million but, on the other hand, that unjust tax will do much harm to some people, specially those on low income. Once again, the lowwage earner will be hardest hit by that increase in the cost of gas. Indeed, those people realize easily that it is costing ever more to earn enough to give their families a decent living, for the low wage earner lacks purchasing power.

● (2010)

In my view, Mr. Speaker, the tax on gasoline will simply contribute to fan inflation more and more, and I sincerely believe that the government is taxing people who cannot afford this increase, for there is no doubt the federal government will get the $525 million revenue which this tax will bring, out of the pockets of low income people. It could easily have raised the money by taxing the big, multinational corporations, thus redistributing Canadian wealth in a non-discriminatory way among Canadians.

Under the circumstances, Mr. Speaker, the Canadian government compels motorists to use public transportation. As my colleague from Roberval (Mr. Gauthier) said yesterday, and I share his view, people would use public transport if they were available to them.

As I have said, when it comes to encouraging people to use public transport, one must bear in mind that many workers such as those in my constituency have to travel 20, 30 and 50 miles to work, and have to use their private cars to drive to specific places.

As a result of this increase, they are particularly penalized. As for the argument that the increase would favour the saving of unrenewable energy, I do not feel it would have that much of an impact because I consider that the government is taxing only one part of energy users instead of truly tackling the energy problem.

I think the Minister of Finance (Mr. Turner) is hoping that fewer people will be using their cars for leisure. Honestly, I am clearly under the impression that those who use their cars simply for leisure are going to keep on purchasing gas no matter what the price, and any piece of legislation aiming at saving gas, such as this one, will have no effect on those people.

Indeed, Mr. Speaker, it is surely not a step in the right direction, because this increase will not discourage people from using the family car on weekends. One must realize that a person who takes his car to work in the morning does not really have any other means of transportation; it is more economical for him or public means of transportation, as I said earlier, are not flexible enough or have inconvenient schedules.

In reality, Mr. Speaker, the Canadian government is simply falling back on small wage earners and is also discriminating against the consumers who are the mainstay of our society. Moreover, those who will not pay the surtax will be able over and above that to deduct from their income their car expenses for business purposes. Whereas the small wage earner who will have to take the urban transit system to go to work during the week and who will want some time during the weekend to drive his wife and children out of the big city to be able to breathe something else than polluted air for some days will have to pay this surtax.

Following this way of thinking, one could suggest that the merchant who decides to go and watch a baseball or football game during his working hours will be able to charge his gas expenses to the advertising account of his company and this way he will abstain from paying this surtax.

[Mr. Caouette (Villeneuve).]

Mr. Speaker, it is very unfortunate but in fact, I cannot see any meaning in this, and I consider that the Minister of Finance (Mr. Turner) will certainly never reach his two targets, namely to finance the grants maintaining a single oil price across Canada and to encourage the conservation of energy, as I said at the very beginning of my speech. This increase only aggravates the economic situation which is already unsound. Finally, Mr. Speaker, it is only an inflationary, an unconsidered move, as so many other moves made by this government over the past years. Therefore I am forced to vote against this bill which only aggravates the situation of low income people which is already difficult.

As I said, Mr. Speaker, when considering the budget, the minister should have set a higher tax on alcohol and on tobacco instead of saddling low income earners with a tax on gasoline. Maybe the Minister of Finance does not know that many people need their car to earn a living. But the government preferred to ignore the people. If it had, of course profits would have been considerably smaller than they will be with the excise tax on gasoline. Maybe the minister and the government think that in three years, when the new election will take place, people will have forgotten that budget, but I personally do not believe such a blow below the belt can be easily forgotten.

When I meet people in my constituency, they ask me questions like this one: Does the government ever think of us? And among those people, there are gas station managers who frequently ask me the same question. Big companies increased the price of gasoline. Today, the government is helping them increase it again, and adds to that increase through a tax. Once again, big companies will drive considerable benefits. And we shall pay for it all, since the salaries of pump attendants will have to be increased. Mr. Speaker, in all this, gas station managers have never had the opportunity to increase their profits at the same rate as the salaries they have to pay their employees now.

Mr. Speaker, I cannot understand how the government could wrestle inflation if they go on increasing prices every year, and I am no economist, but I think it is ridiculous to add fuel to inflation in such a way.

In conclusion, Mr. Speaker, I plead with all my colleagues in this House, since the present government has a majority, to put an end to that discussion, and to all those speeches which all sound alike and are of no avail to the people. Since June 24, people have been paying a 10 cent tax on gasoline, while the bill has not yet been passed; and if my hon. colleagues decide to put an end to that debate, we in this House will all have an opportunity to spend a few days with our families and especially with our children who otherwise will have to go back to school in some time without having taken the full benefit of holidays with their whole family. And I say that again because all those speeches on this bill will bring nothing new to the people of Canada.

I hear my colleagues from the government applauding me. I thank them for it. But if ever speeches do not stop, I shall once again ask those who have just applauded, I shall ask them to urge the Minister of Finance to withdraw the bill so that we can all take holidays.

[*English*]

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I should like to speak about a large number of people in my riding on whom the ten cents a gallon excise tax on gasoline places a very great burden. I speak of the many people who work in Fredericton and who must drive to and from their work because there is for them no alternative mode of transportation.

The city of Fredericton has taken over the public bus transportation system which operates only within the city limits. Although many people use this form of transportation, others find that it does not meet their needs. For those who live outside the city there is no form of regular public transportation which can take people to and from their work. The cost of land in the city of Fredericton and the scarcity of it in recent years make it prohibitive for average citizens to buy a building lot and so they must move outside the city to find a building lot they can afford.

What of the farmers in Millville, the workers in the St. Anne-Nackawic Mill, and the folks in Temperancevale who must travel to Fredericton for medical treatment? How else can they get there except by car?

People who live in communities like Stanley, McGivney, Durham, Bloomfield, New Maryland, Keswick and Zealand go to Fredericton to trade. How? There is only one way—by motor vehicle. There is no luxury. It is essential service.

People living in the Fredericton area travel to Oromocto to work, and vice-versa. Some are able to travel by bus; most are not. Civil servants, military personnel, hospital workers, some travel by bus, most cannot. They travel by motor car. There is no other way.

Senior citizens on fixed incomes who get a little pleasure from travelling around the beautiful landscape in central New Brunswick during our lovely maritime summer will find that their little pleasure is also taxed, and it is apparently the government's policy to restrict pleasure driving for senior citizens who have certainly earned the right to avail themselves of this form of recreation. The many wonderful people who on Sunday afternoons take shut-ins out for a drive through the lovely rolling hills in the New Brunswick countryside are also going to be penalized by this tax.

One of New Brunswick's most outstanding industries is the tourist industry and the selection of July 1 as the date when this new tax would be imposed on motor vehicle operators could not have been selected with greater skill if its intention were to hit our tourist industry at the time when it would hurt us most. For our woods workers and farmers, the trip to Fredericton on Friday night or Saturday afternoon to do their shopping, and the trip for a large and growing number of citizens to Saturday morning market in Fredericton are essential for the procurement of food and clothing. For most of these people there is no alternative public transportation system. They must travel in their motor car. Now it is going to cost a lot more and they can ill afford the increase.

These are the Canadians who carry the brunt of the tax. The tax is not a deterrent to them to use less energy because their use is essential to their livelihood. In essence it makes money out of their pockets—money they desperately need to make ends meet in an inflationary economy. This is a tax with a vengeance and without mercy on those least able to pay it.

Fredericton, despite repeated requests on the part of myself and other representatives of the people, as far as I can ascertain is the only provincial capital in Canada which is not served by rail passenger service. Fredericton is connected to other New Brunswick cities by a bus system, but the rural areas in central New Brunswick are not connected to Fredericton by train or by bus. Our airport is now in the process of having its major runway repaired, and while this is welcome news for people in central New Brunswick, on many occasions this summer it will be necessary to impose a load restriction factor on planes flying into and out of Fredericton.

● (2020)

One of my colleagues has indicated in the House some distressing problems encountered in this respect, and I have on several occasions indicated to the Minister of Transport (Mr. Marchand), and the Chairman of the Air Transport Committee of the Canadian Transport Commission, my views on the inadequate scheduling of flights. All this can be summed up by indicating that the motor vehicle is the principal means of travel of an essential nature in central New Brunswick, and operators of vehicles for these necessary trips will suffer the most because of this tax.

I submit that a one price system and any subsidy in connection with it should be supported from the general revenues of this country. In my opinion a ten cents a gallon tax on gasoline is the poorest type of tax which could be imposed. Without question, the government must increase its revenues to support a one price system, but to do so by imposing hardship on the people who can least afford to bear it does not appear to me to be an exercise in wisdom.

If my calculations are correct, the increase in the government's revenues as a consequence of the ten cents a gallon increase on gasoline, the increase by $1.50 a barrel in the price of crude oil and the 43 cents per thousand cubic feet increase in the price of natural gas will exceed by at least twice the revenue required to cover the difference between the payment to the eastern provinces and the revenue from the export subsidy levied by the Government of Canada on oil exports.

I hope the minister will reconsider his decision in regard to the ten cents excise tax on gas and consider the discriminatory aspect of it. I suggest that this does virtually nothing for conservation and it is not appropriate for funding the one price policy.

We, in my party, consider the tax to be intolerable because it falls mainly on the working people. In my view the subsidization of the one price system should be a general charge against the national treasury and not against the motorist.

While this tax increase hits hardest at the people in the maritime provinces where public transportation systems are not so much in evidence, it is in the maritime provinces that the Government of Canada can find part of its

answer in taking a major step in the direction of conserving power supplies of petroleum and fossil fuel. If the government is serious in its desire to conserve petroleum and reduce our dependence on imported foreign oil for a high percentage of our energy needs, I suggest that we focus our most serious attention on one of the greatest energy potentials in the world which can free millions of barrels of oil every year, and year after year.

At the head of the Bay of Fundy between New Brunswick and Nova Scotia we have one of the most tremendous energy potentials in the world in the form of tidal power. The tides rise and fall some 50 feet twice a day, day in and day out, and this phenomenon will go on forever into the future. The magnitude of this tidal range is higher than anywhere else in the world. The volume of water which regularly and predictably rushes into this unique funnel shaped topography between our two provinces amounts to many times the flow of water in the Saint Lawrence River. The energy which this volume of water could generate when passing through turbines amounts to billions of kilowatt hours when converted into electric energy, and in turn represents millions of barrels of oil available every year, and year after year.

The feasibility of tidal power development in the Bay of Fundy was studied and reported upon in 1969. A review of this study was reported in this House during this session of parliament, and that review recommended five phased studies to move the project forward. These studies are not progressing with the dynamic energy that the current energy crisis requires. It would seem to me that a crash program financed and spearheaded by the Government of Canada is essential if Canada is to meet its energy needs in the immediate future and by the end of the century.

Another area worthy of immediate study by a government seeking to reduce energy consumption is a straight line highway, a direct route from New Brunswick to central Canada through the State of Maine, the Corridor Road, a route that could cut hundreds of miles off the travel distance between central and Atlantic Canada, and for commercial traffic this means hundreds of miles each week and thousand of gallons of gasoline each year.

I would also suggest, Mr. Speaker, that if, as the Minister of Finance (Mr. Turner) has stated, this is an energy conservation measure, the government give full consideration to allowing motorists to deduct from their taxable income—the cost of engine tune ups, carburetor cleanings, air filters, and any other repairs to their vehicles which would increase gasoline mileage and reduce air pollution. This would offer some assistance to the motorists who wish to help the Minister of Finance conserve energy without being punished financially for their good intentions.

My suggestion is that the answer to the problem is not in taxing poor people for whom motor car transportation is essential, but lies in a form of positive leadership in developing alternative sources of energy and supporting the one price system out of the general revenues of our country where the criterion for raising the money should be the ability to pay and not a discriminatory tax like this which hits the hardest those least able to pay.

[Mr. Howie.]

This tax again underlines the failure of the government to give leadership and focus the attention of all departments of government on the matter of regional disparity in the maritimes. DREE invests funds in transportation policies, or the lack of them, and then erodes industrial potential. The Treasury Board pays workers at lower regional rates, and now the Department of Finance exposes workers to severe hardship.

There is no strategy; there is no over-all plan; there is no determination to exterminate regional disparity. But there is a challenge and this government, or more likely the one that succeeds it, must accept the call of the Canadian people to get into the arena and win the day for them. So be it.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, in rising in this debate on Bill C-66 I am concerned about a number of things. The bill deals with four topics. If we quickly move from air transportation it strikes me that at first blush this bill is designed to encourage people to stay home, don't drive, but get drunk.

It appears that this bill encourages people to stay home because they will be taxed ten cents a gallon if they get out their cars and drive. Obviously they will remain in their homes because the government has been generous enough to take the tax off insulation materials, which will represent a saving of about $25 per house, and has taken the tax off wine.

I could not help but be somewhat amused by the comments of the hon. member for Skeena (Mrs. Campagnolo) who spoke in this debate the other night. Since this amendment seeks to delay this bill for a period of six months the hon. member seemed to suggest our attitude was that we should not do anything to solve the problem, that we should just stick our heads in the sand for six months and maybe it would go away. She said this is a terrible thing, that it is an ostrich-like attitude. She said that her government is providing outstanding leadership.

It was very funny when the next day the Secretary of State for External Affairs (Mr. MacEachen) did not try to hoist something for six months but tried to hoist the PLO and the crime conference for an indefinite period. I can only hope that maybe he will stick his head in sand for an indefinite period.

The most obvious function of the excise tax bill is cruelly to put in place an onerous tax of ten cents a gallon on the working poor. I am not sure that when the Minister of Finance (Mr. Turner) introduced the measure in the budget on June 23 he really knew what he was doing. On June 23 the minister said this was a conservation measure. On June 25 he said he had not carried out any study to determine how much gasoline would be conserved. He hoped it would be a conservation measure but said that really it was to raise revenue, some $350 million this year, and a larger sum in a full fiscal year.

When asked how the rebates would work and how the people would apply, the Minister of Finance at that time said that they did not have the regulations yet, that he was not too sure but that he hoped the Minister of National Revenue (Mr. Basford) would detail these regulations during the budget debate. During the budget debate the Minister of National Revenue had nothing to say, and we

can only presume he had nothing to say or to announce because the government had no policy with regard to the regulations. However, it then brought in Bill C-66 to implement the provisions announced in the budget. The bill turned out to be defective and the Speaker ordered it be withdrawn. The Minister of Finance could not even draft the bill properly. It was withdrawn for a day or so, the offending section expunged, the bill returned to the House, and finally the debate continued.

● (2030)

Then the Minister of National Revenue announced that yes, there would be rebates, but the government had just found out that it would have to tax the rebates, and nobody had ever mentioned that before. So I can only conclude that the government went along in an ad hoc manner, with the minister finally stumbling on the fact that he would have to tax the rebates. Certainly this does not indicate good planning or any sort of leadership.

Now on July 22, one month after the budget was introduced on June 23, we have the Minister of National Revenue indicating what the government plans to do. However, in effect he said nothing. He said yes, there would be rebates. As a matter of fact he said the government could implement a rebate system within two to three weeks. Then he added "We don't plan on issuing any rebates until after Labour Day". So it appears that if the bill passes this week, although there would be almost six weeks to Labour Day, he does not intend to implement rebates within two to three weeks, as he said he could; the government is going to wait until after Labour Day. I can only come to the conclusion that his statement about implementing them within two to three weeks is hogwash.

The minister did not throw much light on the regulations. He said people would have to fill out a form and would have to send the form in to claim a rebate. If a person was owed as much as $200 a month rebate, then he could apply monthly. However, if a rebate were anything less than $200, a person would have to apply semi-annually.

If a person, for example, was owed $150 a month, this means that at the end of a six month period he would have $900 owed him by the government. This does not strike me as very equitable and it draws a distinction between large users, which will likely be the big corporations, and the small users of gasoline, say an independent salesman. The government is forgetting the small, independent businessman, the small contractor or industry. They will have to borrow this $900 from the bank. If they are on an overdraft, they might have to pay 11 to 13 per cent interest, and, as I say, the situation does not strike me as at all equitable.

The minister said that the forms people will have to fill in have been drafted, but when we asked him to table one of these forms, he said he could not. I can only conclude that he does not have any forms to table. Indeed, I do not think the government in fact knows what it is doing. If I may use an expression of the Liberals and return it to them, they are asking the people to buy a pig in a poke. We have the pig all right, and would like to find out what the government intends to do with it.

The fact is that this ten cents a gallon excise tax is a very regressive tax. If I may fairly state the matter, when the government is under attack for bringing in an unfair tax it should have the decency, if it intends to represent the people of this country, to reconsider its position. Obviously the Liberals seem to be digging in their heels. The Minister of Finance does not appear here to listen to the debate; he is represented by his parliamentary secretary, who himself is not listening but talking to another member. The government does not really know what is going on. Hon. members opposite have not been out on the hustings to question people up and down the streets of the cities of this country.

I do not mean to be antagonistic to my hon. friends opposite who presently form the government, but let me compare this with another situation where a government imposed a very unpopular and, if I may say so, regressive tax. Some two or three years ago the Honourable John White, then treasurer of the government of Ontario, introduced a 7 per cent tax on heating oil. This was a regressive tax which was attacked by all parties, including his own. The Conservative party, the government of Ontario, and the treasury had enough guts to say, "We have been wrong, it is a regressive measure", and the treasurer withdrew it. We do not find this happening with the arrogant people on the other side who merely want to rip off the Canadian public to line the treasury of the federal government, at the same time trying to hide behind energy conservation.

This regressive tax measure will cost the average working person some $200 to $300 a year out of his or her after tax income, taking into account increased heating fuel costs and unemployment insurance premiums as well. Surely by taking that much out of the taxpayers' after tax income the government is not only fuelling inflation but is encouraging inflation by inviting another round of increased wage demands.

It should be pointed out that price increases exert a direct and measurable upward pressure on costs, and a direct and measurable downward pressure on job creation. They are inflationary, increase unemployment and can erode our industrial competitiveness in many ways. For example, since funds will be taken out of people's pockets they will not be able to buy the goods that manufacturers put on the market.

It strikes me that these negative effects do not bear equally on all Canadians. This is obvious in terms of the worker who finds himself unable to secure a job. According to a recent United States study reported in the energy policy project of the Ford Foundation, families with an annual income of less than $2,500 spent 15.2 per cent of their income to purchase energy, whereas those with an income exceeding $24,500 spent 4.1 per cent. A University of Toronto study indicated exactly the same position in Canada. It is only fair to point out that because of this tax poor people will have to spend a disproportionate amount of their income on energy compared to rich people.

Oil and gas price escalation is a regressive form of taxation that will contribute to inflation and unemployment, as well as to the dislocation of the economy. At such

time when inflation is contained and unemployment in Canada is substantially reduced, it may be appropriate to consider higher prices of fuel, but not in the manner of this ten cents a gallon excise tax. I suggest that perhaps this country will have to go to the world price of a barrel of oil over a period, but only after we have overcome the economic difficulties we are facing.

But I suggest we should approach this in the proper way, instead of the federal government in effect making those who drive a motor vehicle pay the world price for fuel.

I believe that the constituents in the constituency of Lanark-Renfrew-Carleton as well as those in other parts of Ontario are opposed to this ten cents a gallon tax being imposed until inflation is brought under control, unemployment in the province—in my constituency it presently stands at 15 per cent—is reduced, and people put to productive work.

● (2040)

I believe the federal proposal announced in the budget is an unreasonable one. Along with the increase in home heating costs it will generate some $2 billion in additional revenue. But it will not provide extra money to the companies to enable them to find new oil. The proceeds of the tax go directly to Ottawa. I believe, moreover, that its imposition will have severe repercussions in the province of Ontario. In the next 12 months we shall see the consumer price index rising by 2 per cent because of these increases in fuel prices. Then, because of the loss of purchasing power in the hands of consumers, we shall find there are upward of 15,000 fewer jobs in the province.

To say this tax will damage industry is to put it mildly. Already, throughout Ontario and in other parts of the country as well, resort and tourist operators are suffering. People are not bringing their boats from the United States into the Rideau Canal system or into the Trent and Severn systems because they can use their boats more cheaply at home. The minister brought this tax in just as an important industry was getting off the ground, and it is having an unfortunate effect on employment in this area.

The minister estimates this ten cents tax will generate some $350 million but he does not tell us how much it will cost to administer. I suggest that a healthy proportion of the money will be eaten up by administrative costs. And while the government keeps the money, individuals, companies, and small independent businessmen will have to borrow money at interest rates between 11 and 13 per cent until they get their rebates—another cost factor to add to inflation.

It would be unparliamentary for me to say the Minister of Finance lied or deliberately misled the House by saying these measures would help conserve gasoline consumption, so I will not say that. But I can say that the minister by sleight of hand did deceive the House into making us believe that energy conservation was a high priority in his mind. I see that on page 32 of the minister's nicely bound budget speech the third paragraph commences:

> The increased cost of gasoline resulting from these measures will encourage motorists to make their driving habits more efficient in terms of saving gasoline.

[Mr. Dick.]

Later on, after a lot of mumbo jumbo about the conservation of fuels, he adds: "improved driving practices—can make significant contributions to needed fuel conservation".

In fact in the course of the next question period, on June 25, he admitted he had taken the steps outlined in the budget without making an estimation of any fuel conservation which might result. As reported at page 7043 of *Hansard*, he admitted, "The primary purpose of the tax is to pay for a single oil price in Canada." In other words, the purpose was to raise revenue, not a cent of which will go to the producing provinces or to the oil companies. None of it will help to find new sources of oil.

Escalating the price of oil and natural gas is frequently advocated as a means of reducing the rate of growth of consumption of these energy sources. In fact the relationship between the price of energy and its consumption is much too complex to be described by the simple assertion that higher prices result in reduced consumption. Gas prices have gone up from about 39 cents a gallon in the Ottawa area in 1973 to about 72 cents for regular gasoline. During this period there has been no noticeable decline in gasoline consumption. The price of regular gasoline could probably go up to $1.25 or $1.35 before people even considered reducing their purchases.

I would draw attention to one other aspect of what the Minister of Finance has said, because it bears repetition. He had the effrontery to say, on June 23, that the increased cost of gasoline would encourage the use of public transportation. Last spring, a little more than a year ago, the Minister of Transport (Mr. Marchand) told us that transportation is in a mess.

Mr. Benjamin: So is he.

Mr. Dick: True, but we are just talking about his department tonight. It is still in a mess. During the election campaign the government of the day promised its way to victory to the tune of $3.5 billion worth of promises, almost $1 billion worth of which related to what it planned to do in the field of mass transportation. They offered the electorate high-sounding words. They even issued a paper in the middle of the campaign. But since then we have heard no policy setting out what they propose to do in the area of mass transit. In fact in the very budget we are discussing the Minister of Finance cut back the funds available to the Minister of Transport.

Now, after this failure to produce a policy, the Minister of Finance has the effrontery to say that this tax will encourage the use of public transport. There are two cities in Canada which have good mass transit systems—Montreal and Toronto. But Canada is not just Montreal and Toronto. There is an awful lot more to Canada than those two cities.

Some hon. Members: Hear, hear!

Mr. Dick: In my constituency of Lanark-Renfrew-Carleton people from Carleton Place ordinarily travel to and from Renfrew, which is 26 miles away. They travel on a daily basis from Renfrew to Arnprior, a distance of 21 miles; they drive from Renfrew and Arnprior to Ottawa, which is 40 and 50 miles, and return. They drive these distances because they have to do so. If they did not,

another government department, the Unemployment Insurance Commission, would step in and say they were disqualified because they have to be available for work and possess transportation to get within 40 miles of where they live. So, when the Commission says people must be able to travel 40 miles, it means they must have cars because I am not aware of any rapid transit systems which cover such an area.

• (2050)

So people are being told by one government department that they must be able to travel to go to work. The Minister of Finance says he will encourage and provide mass transit, when we know it is impossible because the Minister of Transport does not have a policy for mass transit. So people must take their cars. People such as factory workers, janitors, and people who work in the service industry, the lowest paid in the country, must drive in whatever car they have, whether it be a 65 model or, if they are lucky, a 74 or 75 model. It is these people who will be penalized and will have to pay.

I do not believe this measure is reasonable or fair, especially when the minister indicated that doctors will be able to claim a rebate on the ten cents a gallon tax, and so will lawyers, and company officials and executives who drive company cars. But what about the working stiff? This government does not care about the guy who works.

Some hon. Members: Hear, hear!

Mr. Dick: A member of the NDP joined us last night to give a speech, the hon. member for New Westminster (Mr. Leggatt). He sounded reasonable for a change, more so than the hon. member for Nickel Belt (Mr. Rodriguez).

There is one further problem which I want to point out and which the government is perpetuating and encouraging, because one level of government is continually working against another level. I live in a constituency, of which I am very proud, which unfortunately, because of unemployment and loss of opportunities in one portion of it, the Renfrew county area, has been designated by DREE. Fortunately in part of the Arnprior area, because of DREE a number of industries have located there. However, the Minister of State for Urban Affairs (Mr. Danson), that great minister from Toronto—"Blarney" they call him, I think—does not provide any money for building houses, so there is no housing in the Arnprior area, but the industries are there and they have to employ people. Many of those people live in Ottawa and commute to Arnprior. These are the type of people who will be penalized because in this government one department does not work in co-ordination with the other so that the whole area could prosper. On top of that the government brings in a tax which works against these poor people who have to travel because of the inadequate housing policy.

I do not want to prolong my comments on this matter any further. I have tried to make a number of points which I think are important, one of them being that the working person must be considered, not just the rich people. I will give another example, that of a province, Ontario, which withdrew its support for a regressive tax. This government should reconsider its position.

It strikes me that of the five people on the government benches who have stood up to defend this tax, probably the hon. member for Ottawa West (Mr. Francis) said it best when he spoke of the "silly season" because we were all still here. But may I point out that it is the silly season because the government brought in such a silly tax.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Benjamin: —as a result of the clamorous approbation and demand for me to make a few remarks this evening I am not only willing but anxious to take part in the debate on this bill because, when the budget was brought down, together with the usual bills that accompany it, my reaction and my comments at that time were that they are measures that attack the sick, the old, and the poor. I thought that at a time when the government should be worrying more about the people I mentioned, this kind of legislation would be the last kind it would have introduced.

Even if we gave the Liberal party the benefit of the doubt and even if we called them liberals with a small "l", even if we admitted they might be honest, upright, and sensitive human beings who have some feelings and compassion for their fellow citizens in less fortunate circumstances, one would have thought that they might have done any one of a number of other things rather than what they did in this bill in order to accomplish the same ends, namely, finding $350 million more this year, and $525 million each year thereafter.

I want to suggest some alternatives which should have been in this legislation but are not, and also I want to add to what has been said by many other hon. members—including some members on the government side I was pleased to hear—on the injustice and unfairness of this legislation. If there is anything that the Liberals have raved about since before Confederation, it is how just and fair they are. Yet this legislation could not be more unjust and unfair. Its objective, as the minister stated, is to raise enough money to cover the deficit in the oil compensation fund. Another objective is to provide for the conservation of energy, and still another is to encourage people to use other modes of transportation. All these are laudable objectives. But the government uses the worst kinds of methods to achieve these objectives, and I submit that by using them it will not in fact achieve the objectives.

Let me deal first with the matter of injustice and unfairness. Mention has been made a number of times about who will be eligible for rebates. We know it is those who do not need the rebates. We know it is those with the highest income, the highest wherewithal, and those who enjoy the greatest wellbeing who will receive the rebates.

I know the Liberals are usually backward, but when they go to these lengths they should not be surprised at the length of this debate. In fact I hope the government House leader has noted with some qualms this evening that we have more news for him. The hon. member for Timiskaming (Mr. Peters) is back in the House in good health and will take part in this debate. I know that all hon. members will welcome him back to this chamber. If there is anybody who is an expert in showing the injustice and unfairness of the Liberal government, he is the one.

He is a past master at it, and I look forward to hearing him in this debate on a number of occasions.

Let us talk about the unfairness and injustice of this legislation. Those who will be eligible for rebates are doctors, among others. Doctors do not make house calls—I have not found one in years who would make a house call—but they will get refunds for driving to work. Where do they drive to? They drive to their offices, all the expenses for which they can deduct from their income tax. When they do not drive to their office, they drive to the hospital, which is totally maintained at the taxpayers' expense. And for that they are entitled to a gasoline tax rebate. Contrast that with a steelworker in the city of Regina who lives in the south end of the city and who must drive to a steel plant north of the city limits. He will put 6,000 miles a year on his automobile driving to work, the same as the doctor about whom I spoke.

● (2100)

Mrs. Holt: Steelworkers make pretty good money.

Mr. Benjamin: Mr. Speaker, back home when we hear noises like the one I just heard from the hon. lady across the way, we say it sounds like a coyote with heartburn.

Mr. Orlikow: You are being unfair to coyotes.

Mr. Benjamin: The steelworker will put 6,000 miles per year on his car driving to work, and using the figure of the Minister of National Revenue (Mr. Basford) of 16 miles to the gallon, that is 475 gallons. The ten cents per gallon in this bill will cost $47.50. The five cents per gallon for the increase in the price of oil makes another $23.75. As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said this afternoon, you can bet that with those increases the refiners, wholesalers, bulk dealers and retailers will pass on their percentage mark up, and by the time it goes through the hose into automobile gasoline tanks we will be paying an additional five cents per gallon. The increase in total under this legislation and other legislation resulting from the budget will be 18 cents to 22 cents per gallon. That means $95 to $100 per year more for that steelworker.

All I can say is that there goes that $100 per year tax rebate the Minister of Finance (Mr. Turner) so generously handed out prior to the last federal election. He has taken the whole thing back. However, the real point is that the doctor drives to work in exactly the same way as the steelworker, but the doctor gets the refund. His income is $50,000 to $100,000 per year in Saskatchewan. He receives the refund, but the steelworker who earns $9,000 to $11,000 per year and who drives even more miles to work does not receive it. Any self-respecting Liberal I know in Regina-Lake Centre does not call this just or fair.

Mrs. Holt: Check your figures.

Mr. Benjamin: Mr. Speaker, I will check my figure, but not that of the hon. member.

Mr. Deputy Speaker: Order, please. The hon. member for Welland (Mr. Railton) is seeking the floor to ask a question of the hon. member. This can only be done with the consent of the hon. member.

[Mr. Benjamin.]

Mr. Benjamin: Agreed.

Mr. Railton: Mr. Speaker, I actually should ask a series of questions. I wonder where the hon. member got his inflated idea of doctors' incomes. I wonder where he got the idea that doctors drive to hospitals when they can walk. Does he mean that they could walk when they are answering an emergency call? If they have to go down three times a night, should they walk, or should they drive their cars? I just wonder where the hon. member gets the $50,000 to $100,000 income figures. I would like him to quote figures from some authority.

Some hon. Members: Hear, hear!

Mr. Benjamin: I could not care less if the doctor walks, takes the bus or drives his car. That is not the point.

An hon. Member: Let's hope it's your life in doubt.

Mr. Benjamin: In fact the doctor who makes emergency calls down to the emergency ward at the hospital in the middle of the night is no different from a good friend of mine who is a foreman at a steel plant. He can be called back to the plant several times a week on emergencies. Doctors can receive refunds on the gas tax, and the steelworker cannot. That is what we are complaining about, and that is what is unfair and unjust.

Mrs. Holt: Mr. Speaker, I rise on a point of order. I have compared the figures of the hon. member with my figures, and I think he suffers from an intellectual astigmatism.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Benjamin: Since I want to use up my 40 minutes, I hope Your Honour is deducting all these entertaining interjections which I am allowing. I would not want the House not to have the full benefit of my entire 40 minutes.

Let us move to the next group of people whom the Liberals say they feel so strongly for, stand up for, and fight for. Let us consider old age pensioners who may or may not be on a guaranteed income supplement. They do some driving, but not very much. They do things like drive to get their groceries, and to the doctor. The doctor will not come to see them. They drive to see their children and their grandchildren. The Minister of Finance, Mr. Scrooge, and the Minister of National Revenue, Mr. Midas, are trying to chisel old age pensioners out of another $1 or $2 a month with the gasoline tax.

What has the government accomplished? As with the worker, where they will not take back the $100 tax rebate it granted a year ago. Now with the old age pensioners the government can take back that pittance of an escalator clause in the cost of living index which old age pensioners receive. The last increase was, I believe, $2.33 per month. Now the government can take it back from the pensioners with the gasoline tax for the few paltry miles those people drive, and they cannot receive a rebate, but doctors and commercial enterprises can.

People cannot receive the rebate, and I want to say that I am not implying that doctors are not people. My hon. friend across the way is a real fine example of people, but

doctors act like corporations and are treated like corporations by this government.

Let us go another step and consider the handicapped. One of my hon. friends to my right raised this matter this afternoon when questioning the Minister of National Revenue. Mr. Scrooge and Mr. Midas sit on the government benches. Mr. Midas, the Minister of National Revenue, said that there is no way he could or would amend this legislation to allow for rebates for the handicapped.

Mr. Cullen: He didn't say that.

Mr. Benjamin: That is the way I heard it, and that may or may not be something the governor in council will consider. I have a letter which arrived the other day, and incidentally I wrote to the Minister of Finance on July 9. I have not as yet received an answer. The letter I received is from a senior official in a department or branch of the government of Saskatchewan, and he said that one of his senior staff members is a record review officer and a paraplegic. Other than his wheel chair his only means of transportation is his car. It is a specially equipped automobile. It is the only thing in which he can ride. He is earning a living. He has learned to cope with an affliction with which most of us could not cope. He is not eligible for a rebate, but doctors and commercial enterprises are.

Mr. Epp: And they laugh.

Mr. Benjamin: If there is any conscience whatsoever in the Minister of National Revenue, the Minister of Finance, or any other Liberal over there, they will amend their legislation now. They will add a clause so that there will be a clause 47(f), or (h) or whatever so that the handicapped are automatically eligible for the rebate.

● (2110)

Let us look at some more of these injustices. The minister says this measure is aimed at conservation of energy, and that people will shift to other modes of transportation. If he is correct and if that happens to any degree at all, I hope somebody over there can tell me how the minister is going to raise the $350 million to $550 million that he needs. If the legislation has one of the minister's desired effects then it will not bring in the ten cents per gallon. It is just stupid. I have seen the Liberals do some dumb things, Mr. Speaker, but this is the dumbest. That is why it cannot and will not work; that is why it cannot achieve one of the objectives that the minister claims.

I have listened to members talk about transportation in this House and, Mr. Speaker, that subject has been my main concern since I came here in 1968. I say that the alternatives to automobiles are either inaccessible to the mass of working people who will not be eligible for rebate or are of insufficient frequency or capacity, or both. In addition, fares are not low enough to encourage people to shift to another mode of transportation, whether for work or pleasure.

I heard the Minister of Energy, Mines and Resources (Mr. Macdonald) castigate his counterpart in Ontario, saying if he is so concerned why does he not reduce the provincial gasoline tax? As usual, Madam Speaker, Saskatchewan is ahead on this, and the NDP is keeping it that way.

Mrs. Campagnolo: That is why everybody is leaving.

Mr. Benjamin: Three thousand people have just come back from Alberta.

Mrs. Campagnolo: Or B.C.

Mr. Benjamin: One is as good as the other. Madam Speaker, Saskatchewan has forgone ten cents per gallon of its gasoline tax. It has forgone seven cents per gallon directed to the consumer, and another three cents per gallon no longer goes to the provincial treasury; it goes into the automobile insurance fund.

An hon. Member: Because they lose money on it.

Mr. Benjamin: No, they do not. In B.C., they are still learning. They still have not got rid of all the reactionary capitalists who are fighting public automobile insurance.

I want to remind the hon. member that one of the principles that guides us in automobile insurance in British Columbia, Saskatchewan, and Manitoba is that we say that anybody who would make a profit off the misfortunes of others is immoral.

Some hon. Members: Oh, oh!

Mr. Benjamin: That is why we have an automobile insurance plan in three provinces and, mark my words, it is going to be in another couple pretty soon.

Saskatchewan forgoes nine cents per gallon of the gasoline tax. The Minister of Energy, Mines and Resources said today that if we are so concerned about consumers we should do that, and we did. Now the Minister of Finance takes ten cents per gallon more, and the consumers in Saskatchewan are worse off than before. Saskatchewan has the second lowest gas tax in Canada. Alberta has ten cents per gallon tax and Saskatchewan has 12 cents. In our province we tried to do something to protect consumers from the rising costs of energy, and not only did we get no thanks from the Minister of Energy, Mines and Resources but the Minister of Finance demanded another ten cents per gallon.

I should now like to turn to unemployment insurance cases. I am not going to talk about unemployment insurance premiums which were mentioned several times in this debate as an additional iniquitous and unfair tax. Unemployment insurance regulations say that, when you are unemployed, to be entitled to benefits you must be fully available for and actively seeking employment. This is where the Liberals forget about the hundreds of thousands of people in this country who live in small cities, towns, and villages and farms, and who are unemployed.

To illustrate—a constituent of mine in the village of Semans, Saskatchewan, who was unemployed last year was told by the UIC that seeking employment in his villages and six neighbouring villages was not sufficient; he should seek employment in the city of Regina. It is a good thing he did not find anything there because it is 80 miles away. It would have been a round trip of 160 miles

per day, and with the additional ten cents per gallon there is no doubt he would be better off unemployed.

The incongruities and inconsistencies in this legislation show just how dumb the government is. There are alternative ways of raising the same amount of money, and I am not disputing the desire of the government to raise several hundreds of millions of dollars for the oil compensation fund. But it does not need to and should not be raising it through people who can least afford to pay it, and exempt the people who can most afford to pay it.

We have suggested several times that the income tax system should be used in one form or other. Let us look at what a thinking Liberal might do.

An hon. Member: Where?

An hon. Member: There is no such thing.

Mr. Knowles (Winnipeg North Centre): He is not here tonight.

Mr. Benjamin: Wait for it! If you found a thinking large "l" Liberal he would at least have the imagination to say, "Let's put it on the personal income tax". That at least would have some relationship to ability to pay.

The projection of the federal government is that in 1975-76 it will raise $11.4 billion in personal income taxes. To raise that additional $525 million that it says it needs for the oil compensation fund in order to have one price across the country would mean an effective tax rate increase of 5 per cent in the higher brackets. That would raise $500 million or $525 million, and would be a marked improvement over the method chosen in Bill C-66.

Let us go beyond what a thinking Liberal might do—that will take in most of the population of Canada. In 1974 industrial corporations paid $5 billion in corporation income tax. That was an effective tax rate of 32.4 per cent, since their net income before taxes totalled $15.5 billion. A 3.3 per cent increase in the effective tax rate for corporations would give the government the $525 million it says it needs in 12 months. That is a second alternative which could be used for raising this money, and I suggest it is even better than anything a thinking Liberal might do. I will give the Conservatives credit; they might think of the idea, but they might not do it.

● (2120)

Let me propose two other alternatives the government might consider. This afternoon the hon. member for Nanaimo-Cowichan-The Islands mentioned a surcharge on corporate tax, or a combination of a surcharge on corporate taxes and a higher tax on individuals in higher income brackets. You could raise $525 million if you imposed a surcharge of 4.6 per cent on individual taxable income. You could raise $525 million with a 10 per cent surcharge on corporate taxes payable. Or you could use a combination of these methods, but the point is that they are related to ability to pay. You could and should also exempt those in the low and low-middle income categories, and you could still obtain more than the $525 million you need.

Let me suggest a final, good New Democratic Party socialist alternative. It would be simple to implement and, in a way, provide corporations with a benefit not available to others.

Mr. Epp: Yes, the benefit of nationalization.

Mr. Benjamin: As at the end of the first quarter of this year there were outstanding on the books of this country over $7 billion in deferred corporate taxes.

An hon. Member: That's right, tax everyone out of existence.

Mr. Benjamin: Madam Speaker, the hon. member might learn something if he would listen. Everyone knows that those deferred taxes will never be paid. As I say, there were $7 billion worth of deferred taxes on the books, as of March 31 last. They represent an interest free loan from the people of Canada to those corporations, by virtue of the workings of our tax system. Let me recommend this socialist alternative to Bill C-66. Remembering that our constituents must pay between 10 per cent and 12 per cent for mortgages, and that you cannot obtain an individual loan for anything less than 11 per cent or 12 per cent, we should charge the corporations in Canada which owe $7 billion in deferred taxes the low interest rate of 7.5 per cent on those deferred taxes. That is how you could raise your $525 million for the oil fund.

The rest of the citizens of this country cannot defer their taxes. If they could I am sure the Minister of Finance and the Liberal sheep would think of some way to charge them interest. Why not charge the corporations interest? If the party opposite, the so-called party of the just society which supports free enterprise, supports a system of deferred taxes under our tax system, surely it should not support the idea of these deferred taxes being an interest free loan from the public of Canada. I suggest we should be garnering some modest rate of interest; and, at today's rate I think 7.5 per cent on those $7 billion of deferred tax would be a very modest rate. It would not be excessive.

No self-respecting corporation could complain about paying too high an interest rate. They pay much more when they want to build a shopping centre or high rise office building. They will borrow money at 10 per cent or 12 per cent for those; but the people of Canada would only charge them 7.5 per cent on those deferred taxes. If you did that you would have more than you require for the oil compensation program. I suspect that the 7.5 per cent paid on deferred taxes would do more than meet the requirements of the oil compensation fund. It would provide tens of millions of dollars more, which could go to exploration and development of oil, gas, and other energy sources. It would be applauded and accepted by the people generally, and reputable corporations would say it is fair. The disreputable ones, the friends of the Liberal party, may not think it is fair. That's tough.

At one time Liberals and free enterprisers generally used to get some money from the rich and votes from the poor, and promised to protect them from each other. They refined that. Now they give money to the rich and take it from the poor, and still say they are protecting them from each other.

Why did I suggest either a surcharge on the corporate tax-payer in higher income brackets of 10 per cent, or a 7.5

per cent interest rate on deferred taxes owing as of March 31 last? What has been happening in this country? I made those suggestions because of the imbalance that has occurred since the Prime Minister (Mr. Trudeau) and his regime came to power in 1968. Madam Speaker, in 1968-69 individual taxpayers in Canada paid 34 per cent of the total tax revenues of the government; corporations paid 20 per cent. There was a spread between 34 per cent and 20 per cent.

By 1970-71, under this just society type of government, individual taxpayers were paying 41 per cent of the total tax bill and the corporate share had dropped to 17 per cent.

By 1972-73 the just society boys with their organizational genius had arranged for the individual taxpayer to pay 43 per cent of the total tax load and the corporations to pay only 16 per cent.

This year there has been a slight recovery. In 1975-76 the individual taxpayer will still carry 41 per cent of the load, but the corporations will have to carry 20 per cent.

By collecting that $525 million from the corporations in 12 months, the government will increase the corporate share of the tax load in this country by another two or three percentage points and make the corporations bear a slightly fairer share of the tax burden of this country.

I have suggested three or four alternatives, one of which even a thinking Liberal could buy. Even if you levied extra tax on personal incomes, that measure would be fairer and more justified than what is proposed in Bill C-66. If the Minister of Finance, the Minister of National Revenue and all those seals and sheep on the government side want to get home fast, let them follow my suggestion. It would take only two or three days for the Minister of Finance to bring in a new bill which incorporates any one of my suggestions, and everyone will be surprised at how fast it will pass.

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. gentleman, but his allotted time has expired.

● (2130)

Mr. Doug Neil (Moose Jaw): Madam Speaker, I am pleased to participate in the debate this evening in support of the amendment of my leader to give the bill a six months' hoist.

This bill is a rather interesting piece of legislation. It results from a lack of foresight on the part of the government. This lack of foresight is the failure to develop an adequate energy policy and adequate transportation policy.

The bill does four things. First, it takes the excise tax off insulation materials, storm windows and storm doors, something that should have been done a long time ago. While it will only result in a saving of about $25 per home, this portion of the bill is worth while. It is welcomed.

Second, the bill increases the transportation tax, putting a burden on the travelling public. If the money from this transportation tax were used to update landing facilities in the various airports across Canada it would be welcome. If you talk to some of the airline pilots they will tell you that landing facilities at many airports in Canada are inadequate to handle the larger jets, and in some respects are hazardous. No one would object to a tax on transportation if the moneys were used in the interest of safety for the travelling public. However, I suspect that the money will be used on Mirabel and Pickering airports.

The bill further reduces the tax on domestic wines with more than 7 per cent alcohol by 20 cents per gallon. For wines with less than 7 per cent alcohol, the reduction is 40 cents per gallon. The bill increases the tax on gasoline by ten cents a gallon. It seems that the minister has his priorities mixed. He imposes a ten cents excise tax on a gallon of gasoline and reduces the tax on wines by from 20 to 40 cents per gallon.

Some hon. Members: Hear, hear!

Mr. Neil: The minister gave a reason for this in his budget speech.

An hon. Member: To get drunk.

Mr. Neil: I quote from page 26 of the minister's budget speech:

> Second, I have also been persuaded by many representations that the increased excise imposed last fall on wine is seriously affecting the domestic wine and grape growing industry of the country. The excise will therefore be reduced to its previous level effective tonight.

One would have thought the minister would have had the foresight to see that this ten cents a gallon tax on gasoline, on top of the other various programs of this government over the years which have led to high rates of inflation, will affect the citizens of this country. Perhaps they more than the wine industry are entitled to a break. After all we can do without wine, but we cannot do without gas.

What is the purpose of this ten cents a gallon tax on gasoline? The minister made two points in his budget. First, he talked about the gap between the compensation payments on oil imports, saying that these had grown rapidly due to the fact that the volume of our oil exports had fallen while our imports had risen. He said at page 32 of his budget speech, and I quote:

> Although the increase in the domestic oil price and the forthcoming adjustments in the import compensation program will help, the gap will be substantial.
>
> It is difficult to be precise about the figures because the amount depends upon international prices, export volume and a number of other domestic and international factors. The cost of the subsidy for eastern consumers will be about $1.3 billion this year. The gap between that cost and the export charge revenues is likely to be several hundred million dollars in fiscal 1975-76 and may widen in future.

This tax, according to the minister, will raise approximately $350 million in the balance of this fiscal year. If one relates that to a twelve month period it amounts to almost $420 million. That means the car owners and operators of this country will contribute $420 million in the next year to subsidize the province of Quebec and the maritimes.

As a Canadian I believe in an equalized price for gasoline throughout all of Canada. However, like many in western Canada, I feel that equalization should work both ways. When central Canada was paying much less per gallon for gas at the pumps than we in western Canada, there was no talk of such equalization. However, when it appeared that central Canada was going to pay more than

the west, equalization became the order of the day. I suggest that the government should look at some of the other inequities that exist between central Canada, western Canada and the maritimes, and perhaps consider an equalization of freight rates.

I think that statistics will bear me out when I say that the majority of motorists are in the low and middle income group, the group that can least afford to pay the added tax. It is a regressive tax. I am sure that government members, like members of the opposition, are receiving numerous letters from their constituents complaining about the tax. I wish to read into the record part of a letter I received this morning from a senior citizen in the city of Moose Jaw. It was mailed on July 19. That is pretty good considering the post office service. I quote:

Dear Mr. Neil:

Another complaint from me and believe me I am writing the words of many more like myself. It is the gas increase. That is deplorable that it should really be taken out on the little person. For myself, I am a senior citizen. I have a small car, which is my only entertainment. I am a widow. I do not smoke, drink, play bingo nor even go to a hairdresser. I have the one enjoyment, my car, where my little spare bit of money goes. I do not only use it for my own enjoyment. I also pick up other seniors once in a while and take them for a ride, also go to visit older ones in homes. Now I can assure you that I will be cutting down, on seeing gas going up 15 cents.

Most everything the government tries to get working to get money or taxes seems to always hit the little fellow so much more than it should. The ones that need their cars badly for essentials are going to have a rebate. Well I can see that in some places, but what about the farmers that can first of all use the cheaper gas and also use their trucks for many things not including pleasure, and get a rebate.

I am sure you will bring this up in the 'House'. I do hope so anyway and I will appreciate it.

So sorry for the messy letter, but I am so mad, and also in such a hurry, for I am going to write the same thing to Mr. Turner.

● (2140)

I think that letter speaks for itself. There could be many other letters read from students, for example, who commute from the City of Moose Jaw to the University of Saskatchewan in Regina almost daily, a distance of some 80 miles. I think of the employees of potash plants who must commute 40 or 50 miles every day. I think of other wage earners around the province who have to travel countless miles to and from their employment. I would be interested to hear members on the government side read into the record some of the letters they have received.

I was interested in a document I received a day or so ago, a summary of the views of the Canadian Automobile Association, dated July 10, 1975. I would commend this document to the minister for reading. It contains a short paragraph on discrimination, which states:

The excise tax on gasoline is applied with respect to personal use only and thereby singles out the private motorist. But it permits business, commercial, government and municipal exemptions. Taxis and farm motorists are also exempted. The businessman, notably the commercial salesman, and others are high consumers of gasoline, yet they escape the excise tax.

This tax can do nothing but lead to demands for higher wages and to ever increasing inflation. It will require a larger bureaucracy to administer the exemptions and so on, and this will add to the cost of government. From another point of view one can imagine the frustration which is bound to be felt by the various individuals who must keep records in order to comply with the arrangements for refunds. This means one more government form to be filled in by business people and others, and higher costs for bookkeeping. It would be interesting to find out what percentage of a bookkeeper's time is spent completing government forms.

I have one suggestion for the minister which, if adopted, might lessen the cost of administering the tax. It has to do with the farming community in Saskatchewan. The minister may or may not be aware that in Saskatchewan the farm community makes use of purple gas for its farm operations. It would appear to be a simple matter to draw up the bill or the regulations in such a way as to exempt purple gas from this tax, since the purple gas used by farmers is used directly in the business of farming and would be exempt in any event under this legislation.

The minister made two further comments in the course of his budget speech. As recorded at page 32 he said:

The increased cost of gasoline resulting from these measures should encourage motorists to make their driving habits more efficient in terms of saving gasoline—The increased cost of gasoline will also encourage the use of public transportation, thereby helping to relieve the growing congestion in our cities.

If the minister goes to Saskatchewan he will find some public transportation in the form of buses in the cities, but between the various smaller towns in the province, and between those towns and the cities, there is no transportation other than the motor vehicle. As a matter of fact there are only two passenger trains in Saskatchewan and they are both trans-continental, one, the CN train going through Saskatoon, and the other on the CP line going through Regina. I might add that one has to get up in the middle of the night to catch these trains and that they dump you off at two or three in the morning when you return. In brief, there is no effective public transportation system to serve the people of the prairie provinces.

As I said when I began my address, the bill before us is evidence of lack of foresight on the part of the government. It illustrates, first of all, the government's failure to develop an adequate transportation policy and, second, its failure to develop an adequate energy policy. The Minister of Transport (Mr. Marchand) said that transportation in Canada is a mess. I suggest that energy, and energy policy are also a mess. I was interested last Thursday night in listening to a speech by the hon. member for Skeena (Mrs. Campagnolo). I should like to quote one paragraph from her speech, as reported at page 7686 of *Hansard* of July 17. She had this to say:

The amendment to this bill which seeks to delay its introduction for six months is a most significant one. It tells us a great deal about the policies of those who support it. The most charitable description I can think of is that it represents the ostrich school of political thought—"Don't do anything to solve the problem; just stick your head in the sand for six months and maybe it will go away."

Some hon. Members: Hear, hear!

Mr. Blais: A darned good speech!

Mrs. Holt: It shows there is some talent over here—a little originality!

Mr. Neil: I think the hon. lady was confused. Either the heat had gotten to her or she spoke in jest, because if she had sat back and thought for a moment she would have realized that her remarks about the ostrich school of

politics describe the present government exactly. The Liberal government has for many years stuck its head in the sand.

Mr. Whittaker: Too bad it wasn't quicksand.

Mr. Neil: And if she thinks what she calls the big blue ostrich in Queen's Park will be replaced by what she calls a progressive and forward looking bright red Liberal bird of substance, thought, and good government, that big red Liberal bird will be shot down by the gun of the voter, and the bright red plumage will flutter across the countryside of Ontario.

Some hon. Members: Hooray!

Mr. Neil: Over the years Canadians have been led to believe there were unlimited supplies of oil and gas in our country. We were led to believe that all we had to do was to go to western Canada or to the Arctic and punch holes down, and the gas and oil would come spouting forth. Suddenly the situation changed overnight. The OPEC nations increased their prices and the government and the National Energy Board began shouting shortages. Any shortages are and will be the fault of the government.

● (2150)

The policy of the government is such that it is discouraging exploration and development. We see oil and gas rigs leaving the country almost every week, together with the skilled crews required to operate those rigs. The rigs should be in western Canada and the northern Arctic, exploring and developing our future supplies of gas and oil. The government should have had the foresight to anticipate a few years ago that we would be faced with shortages. The government should have anticipated that our future reserves lie primarily in northern Canada and that a pipeline down the Mackenzie valley was a necessity. In addition, a land settlement with the native people is necessary before the pipeline can be built with the least amount of social and economic unrest among our native people.

Over the past number of years the government has anticipated nothing; it has merely proceeded in an ad hoc manner. The result was that no attempt was made to deal with the problems and claims of the native people until an application was made to build the pipe line. The Berger commission should have been set up years ago, instead of under the shadow of an energy crisis in the north.

I was interested to hear the hon. member for Regina-Lake Centre (Mr. Benjamin) speak about multinational corporations. It seems to me that many of these multinational corporations are now being looked upon as corporate welfare bums. I point out that without the oil companies we would never have had an oil supply developed in Canada. We would never have had the resources we have had in the past and which we have today.

The government has not told the public that for every gallon of gas sold in Canada the provincial and federal gasoline and excise tax takes anywhere from a low of 41.5 per cent of the basic price of a gallon of gas in Alberta to a high of 60 per cent in the province of Quebec. Neither has it told the public that out of the $8 wellhead price for gas the federal and provincial governments, through royalties and federal and provincial income taxes, take upwards of 75 per cent. We have developed Petro-Can to solve our problems, but I wonder whether Petro-Can will be able to operate on 25 per cent of the wellhead prices as well as paying its interest on its debt, exploration development and production costs. Looking at the balance sheets of various Crown corporations in Canada today, I doubt it.

I have no hesitation, Madam Speaker, in supporting the amendment of my leader to give this bill a six months' hoist. I feel that if members on the government side of the House have a conscience and have the interests of Canada and their constituents at heart, they should support the amendment. I am looking forward to a summer recess, but I hope that before that time the Minister of Finance will either support the motion of my leader or withdraw the bill. I hope he and members of his cabinet during the summer recess will develop policies in the area of energy, transportation, and economics which will put Canada back on the rails of economic recovery.

Mr. Cecil Smith (Churchill): Madam Speaker, it certainly gives me great pleasure to be able to speak on the many parts of this devastating bill which will have serious effects on all parts of northern Canada. Most of the people living in communities in my constituency which have roads have anywhere from 500 to 700 miles to drive to reach the main centres in the province. I refer to miners who use their cars to go to work every day. If they want to take their families on a summer vacation they have to travel 700 miles, and will have to pay this ridiculous ten cents a gallon tax to reach a holiday area.

Another problem facing many of the people in the riding of Churchill who live in these remote communities is that there is no public transit system. The people must use their cars if they are to travel at all. Some of these communities comprise as many as 20,000 people. Yet the Minister of Finance (Mr. Turner) has imposed this ridiculous tax and has burdened the people who are the backbone of our country.

I will now call it ten o'clock, Madam Speaker.

[English]

PROCEEDINGS ON ADJOURNMENT MOTION

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

IMMIGRATION—REASON FOR DETENTION AND INTERROGATION OF DR. FAYEZ SAYEGH, AN ARABIAN DIPLOMAT

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, it is my earnest hope that this will be my last utterance in this august chamber until mid-October. I am also tempted to urge those members who do not stay for this delightful period to follow the advice of Lady Macbeth and to stand not upon the order of their going but to go at once.

Adjournment Debate

On May 26 I asked the Minister of Manpower and Immigration (Mr. Andras) about the detention and interrogation of Dr. Fayez Sayegh at the Toronto International Airport. This distinguished scholar-statesman who heads the PLO observer delegation to the United Nations was carrying a diplomatic passport from the government of Kuwait. He had been invited to be guest speaker at the annual meeting of the Canadian Arab Federation, a group to which many Canadians of Arab ancestry belong.

The minister, in response, declared that the facts as I had stated them were generally correct. I thought then, and I think now, that we must be extremely careful not to allow our immigration department and its officers be a vehicle of bias in the confrontation in the Middle East.

Members of the Israeli government and other individuals come to Canada frequently to address audiences on their point of view on the current and, alas, continuing conflict in the Middle East. No one ever hears of any spokesman for the Israeli cause having trouble entering Canada, nor should they have. Public discussion on such issues should be welcomed.

But for any Palestinian spokesman to come to Canada to discuss the Palestinian cause and case seems enormously difficult. They are harassed, detained, interrogated, delayed for hours at airports, and embarrassed by immigration officers following them to public meetings and pursuing them with further questions. It is most unfair. It cannot be suggested that to deny Canadians the chance to hear both sides of the issue is the act of a country adopting an even-handed view of the Middle East crisis.

● (2200)

I was also appalled by the suggestion that all members of the PLO are prohibited entry into Canada. Such a view has with it the implication that all PLO and all Palestinians are a threat to the security of Canada.

Dr. Sayegh is a case in point. He is an internationally known scholar, the son of a Presbyterian minister, a man whose knowledge and experience qualified him as one well worth listening to. That such a person with a diplomatic passport should be embarrassed and held up while entering Canada at the invitation of a reputable Canadian organization is an outrage.

We should not be too eager to suppress the right of the long-suffering Palestinians to state their case. The contemplated presence of two or three Palestinian lawyers at the UN crime conference was inflated as a threat to the security of the great city of Toronto and the vast province of Ontario. I found such assertions as incredible as the government's response to the pressures and proclamations against Palestinian attendance at a UN conference to which they had the right to come.

This is not the place to analyze the government's decision on the proposed Toronto conference, but I doubt if world peace of Canadian foreign policy will be enhanced thereby.

It is to be hoped that the Minister of Manpower and Immigration will realize some of the delicacy and sensitivity of the problems of the Middle East, the chief of which is the fate of the Palestinian people.

[Mr. Macquarrie.]

I was a little disturbed at some replies I received to an order paper question. Contrary to the minister's oral reply, the answers denied that Dr. Sayegh had been detained and interrogated. The same blanket of denial was drawn over inquiries regarding Palestinian and other Arab labour leaders who entered the country through Montreal recently. My information leaves me no doubt about the incidents. These people did not receive a warm welcome or routine entry into this country. The former need not be expected; but all Palestinians ought not to be made special cases and presented with the presumption that their visit is designed to be hurtful to Canada's security.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, when the hon. member for Hillsborough (Mr. Macquarrie) raised this matter in the House on May 26, 1975, he was informed that when Dr. Sayegh sought entry he admitted membership in the Palestine Liberation Organization and that this, under Canadian law, made him inadmissible to Canada. The policy of the Department of Manpower and Immigration, in cases where a prohibited person is invited to speak by a reputable Canadian organization, is to allow that person temporary entry under the minister's permit if it is considered that there will be no threat to Canada's national security. This is called the Nicholson policy.

All that can be added, Mr. Speaker, is to assure hon. members that no slur was meant to be cast on a foreign diplomat attached to the UN but that the action taken was required by his admitted membership in the PLO.

CANADIAN BROADCASTING CORPORATION—AVAILABILITY OF CORPORATION'S EDUCATIONAL FILMS TO SCHOOLS—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, this is the second parliament in which I have tried to have CBC broadcasting educational films provided to schools and universities across Canada. Actually for four years school boards and universities have been attempting to obtain these films. The stalling by the Secretary of State (Mr. Faulkner) and the CBC in respect of the solution of this problem has now become absolutely ridiculous.

It is disappointing that the minister is not here to answer questions on such an important subject. The question of the CBC providing educational films to school boards and universities throughout Canada is of major importance and is a subject on which I hope the government can throw some light tonight.

There are certain problems in respect of the present Copyright Act. In the last parliament I made the following suggestions for amendments to the present act:

(1) copying and duplicating should be allowed for, subject to suitable safeguards to protect the legitimate interests of the creator and publisher;

(2) In the case of broadcast programs of an educational nature there should be recognition of the need to record them for playback within a limited period. In this situation the tape recording may be used to meet timetabling requirements without royalty payment; (3) transmission of copyright material through closed-circuit television systems should be subject to reasonable royalties and fees in terms of the specific target audience.

School boards and teachers have experienced distress—

in the last four years

—because of current inadequacy in legislation and failure to reach agreement at the federal level. The Canadian Teachers' Federation has presented a number of briefs in this regard and I believe note should be made of some of the comments which have been made public. One is as follows:

"Since there appears to be widespread expectation that the Copyright Act will be substantially revised in the near future, CTF believes that such a revision could not be long delayed and that it is of the utmost importance that all interested parties should have the opportunity to participate in the revision. The brief complains that CBC program materials are being handed over to an American-dominated private company for distribution on a profit making basis".

Here is a quotation from a statement by . . . the CTF president:

"I am pleased to have a strong mandate to secure the full and free use in Canadian schools of educational programs developed with the support of public moneys . . . we will present our views regarding the difficulties being experienced with video taping of school telecasts for viewing at a more convenient time because of the present copyright laws as well as certain contractual arrangements at the CBC".

In the last parliament I presented a bill, an act to amend the Broadcasting Act. The government agreed at that time to allow the bill to go to committee. We finally got it to committee, and one afternoon at 3.30 p.m. seven Conservatives arrived to discuss the bill. The only other people in attendance were a couple of CBC officials and the chairman of the committee, who is a Liberal. We did not have a quorum and therefore we could not discuss this bill in committee. People in the educational field had come to Ottawa to participate in this committee meeting, they came from B.C., Nova Scotia and all across Canada. They were insulted, and they felt they were treated with contempt by the Liberal government and the Liberal members of that committee.

I was hoping that this bill could be sent to committee in this parliament because obviously the Secretary of State, who is responsible for the CBC, is not capable of finding a solution to this problem.

Recently I received a letter from the Canadian School Trustees Association. The executive director wrote:

Your bill has been labelled "simplistic" and that is a great compliment. I am becoming tired and angry with people stating that things are complex, and no simple solution can be found.

It is very strange that the Secretary of State and the CBC cannot find some solution to this problem after four years. There has been an exchange of correspondence such as I have never seen in my life. In the last parliament every member of parliament received letters from school teachers, school children, school trustees, associations and universities giving support to this bill, and all the cabinet members were bombarded with mail. So was the Secretary of State and the CBC. But here we are going through the same exercise in the thirtieth parliament. You can see, Madam Chairman, how ridiculous this is.

A couple of weeks ago I asked the minister what he was doing about the problem. I received the biggest run around that I have ever witnessed in my life on what they are doing to Canada's educational system in regard to this problem in providing CBC educational films in Canadian schools. We are talking about six million school children and about every school and university in Canada. It is absolutely ridiculous that the government has not found a solution to the problem by now. Four years is more than enough time.

● (2210)

I received one letter from the minister back in 1973, and he indicated the following:

CBC is conscious of the desirability of making an early statement on the matter of providing some programs for use in schools. However, the problem is complex and it is not known yet whether release of a significant number of programs will be possible.

As soon as it is able to do so, the corporation will be making a statement. If the study proceeds as at present, this may be by the beginning of the next school year, or shortly thereafter.

This letter is dated July, 1973, and this should have been solved in 1974. Here we are in the middle of 1975, and we are still talking about the problem. Now the Schoolteachers Association and the School Trustees Association and all the schools across Canada are going to start another letter exchange, writing to all their members of parliament, the Secretary of State, and the CBC to see if they can get them off their butts to do something about this problem.

This problem has reached ridiculous proportions. I cannot find the words to explain it, and I hope the parliamentary secretary has some reasonable explanation tonight.

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Madam Speaker, in answer to the hon. member for Winnipeg South Centre (Mr. McKenzie) it is fairly common knowledge that CBC has been carrying out a detailed study of the problems associated with a plan to release a large number of its television and radio programs for use by non profit organizations and by individuals following broadcast.

The Secretary of State (Mr. Faulkner) has already mentioned that CBC has accepted in principle the responsibility of meeting the heavy demands for its programs from schools, service clubs and church groups, demands which originate in all parts of Canada. On the basis of its studies up to that time CBC included in its estimates last fall an amount sufficient to enable it to get started with its further use project in the current fiscal year. Funds slightly in excess of $1 million were made available by the government.

The Secretary of State has been informed by CBC that two or three important issues are still under consideration. For example, the corporation has been studying the impact of its further use project on the private Canadian non theatrical film industry. It is quite possible that the release of CBC's programs into a limited market may have a detrimental effect on a part of the film industry and that this, in turn, may adversely influence other initiatives of the department to assist the growth of the Canadian film industry generally.

In itself concern for the private companies is not a reason to delay the inauguration of the further use project, but CBC feels that the situation should be carefully explored. The corporation will begin further use project distribution as soon as possible. It is aware of the high expectations held by many, and is determined that the project will be successful.

Adjournment Debate

CANADIAN NATIONAL RAILWAYS—DISMISSAL OF MESSRS. CHO, CHEW AND McGUIRE BY CN TELECOMMUNICATIONS—REQUEST FOR REPORT

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, I rise tonight to speak on a matter I raised in this House yesterday afternoon regarding the dismissal of three employees from the Canadian National Telecommunications system, Mr. Cho, Mr. Chew and Mr. McGuire.

After arriving back in Ottawa Sunday night I made sure I was in my office early Monday morning. I telephoned the office of the Minister of Transport (Mr. Marchand), the office of the Minister of Communications (Mr. Pelletier), and the office of the Solicitor General (Mr. Allmand), and gave them notice of my question. I spent them a copy of a letter I had received from Mr. Horbulyk, who is the acting chairman of the Canadian Telecommunications division of CB of RT and GW. I sent the ministers a copy of the grievance which had been filed by the union on behalf of Mr. Young Cho. I told them that I wanted to ask this question in the House. I thought it was a very serious matter, and I hoped by giving them this notice we could receive some proper answers and take away a shadow which has been cast over these three men.

The minister in his answer said that he immediately got in touch with the president of CN and he was supposed to have another discussion with him. He also stated:

I know they have been following this practice for a very long time. However, this practice worries me as much as the hon. member.

It certainly worries me, Madam Speaker, and I was quite pleased with the answer. I knew the minister was concerned and viewed this as a very serious question that he wanted to discuss with the Prime Minister (Mr. Trudeau) and cabinet. I did not ask a supplementary, fully expecting that today in this House we would have an answer from the minister which, if not complete and detailed, would at least give some idea of what had happened. Today in answer to the same question I received the same answer although I have not had a chance to check it over.

I find it unbelievable that the government, which seemed so concerned, and the Minister of Transport who was shaken by the matter, cannot get an answer from the president of Canadian National Railways. Certainly the president should be able to have an answer for the minister by the next day. If he had said today that somebody was on vacation I could understand that at this time of year, but we received no explanation.

The shadow that has fallen on these men scares me. Three people have been dismissed by a large corporation and not told the reason. When asked by the union, the management stated that they are not at liberty to say why Mr. Cho had been dismissed. The union explained that this left Mr. Cho in a very strange position, and management agreed and said had Mr. Cho worked in a non-security area his dismissal would have been unnecessary. One immediately assumes then that this man is a security risk, and this is the shadow cast on the other men. If they are, we should know, and we should know why they were hired in the first place. They must have had to go through some clearance in order to be hired.

Mr. Cho has been offered another job in the company in a non-secure area. He says he sees no reason why he is regarded as a security risk. He was cleared by the United States army when, as a captain in the South Korean army, he was sent to Texas for training.

The thing that frightens me is that three union clauses were violated. Clause 1 states in part:

An employee . . . will not be disciplined or discharged until his case has been thoroughly reviewed.

That did not happen in this case, and this is one of the grievances filed. Clause 2 states in part:

. . . and will be advised of the reasons for such review.

Clause 3 states in part:

. . . an employee will not be held out of service pending rendering of decision except in case of a dismissable offence.

That clause was also broken by the government. When a large company like CN can violate a union agreement, that means any company in this country can do the same. The government should take swift action. I am sure I gave the parliamentary secretary some information tonight. We have not got complete answers yet, but tomorrow this House should have a full explanation from the minister of why the rights of three people in Canada have been violated by a company associated with the government.

The president of CNR, who has been approached by a minister of the Crown, should be fired if he cannot tell the House within 24 or 48 hours why three employees were dismissed in an underhanded way.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister of Transport (Mr. Marchand) has indicated to the House that he is most certainly concerned about the problem raised yesterday by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) and he contacted the president of the CNR immediately upon learning of the situation. I hope my hon. friend opposite will give us until tomorrow. I cannot account for the delays, but I understand they are legitimate and that the minister will have the opportunity for further discussions with the president of the CNR on this matter.

The minister is aware of the serious implications of the practice involved here, and I believe he indicated to the House yesterday that he intends to raise the matter with the Prime Minister (Mr. Trudeau) and the cabinet.

I am advised that the three employees involved were offered other positions because they did not meet the requirements of their positions, but if I understand my hon. friend correctly that is not his information. I will check that out myself; I believe it refers to only two of them. I can assure my hon. friend that his concern is shared by the minister.

● (2220)

I am sure the hon. member for Burnaby-Richmond-Delta knows, from his experience in this chamber, that no member is more deeply concerned for the rights of working men and women of this country than the present Minister of Transport. I hope the hon. member will allow us a little more time to provide an answer that is acceptable.

The Acting Speaker (Mrs. Morin): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Wednesday, July 23, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

SUPPORT FOR GOVERNMENT'S INITIATIVE TO OBTAIN ICNAF AGREEMENT FOR FORTY PER CENT REDUCTION IN QUOTAS—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43 to put a motion on a matter of urgent and pressing necessity. May I say, before I put the motion, that there is agreement that if the House sees fit to give unanimous consent to the motion, there will be no debate.

In view of the fact that Canada will play host to the International Commission on the Northwest Atlantic Fisheries in September, when parliament will be in recess, and in view of the importance to Canada's east coast fishing industry of getting agreement from the ICNAF member states to a 40 per cent reduction in quotas, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this House supports the government's initiative to obtain agreement from ICNAF for a 40 per cent reduction in quotas which is vital to the viability of Canada's east coast fishing industry.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Under the provisions of Standing Order 43, the unanimous consent of the House is required before this motion can be presented. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Therefore, finding unanimous consent, I shall put the motion. It is moved by the hon. member for St. John's East (Mr. McGrath), seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this House supports the government's initiative to obtain agreement from ICNAF for a 40 per cent reduction in quotas which is vital to the viability of Canada's east coast fishing industry.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

CONSUMER AFFAIRS

REQUEST FOR TABLING OF DOCUMENTS PERTAINING TO ALLEGED SECRET WARRANTIES ON CERTAIN AUTOMOBILES—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 to seek the unanimous consent of the House. Whereas the Department of Consumer and Corporate Affairs has deliberately and knowingly engaged in a conspiracy to cheat Canadian car owners by refusing to divulge information on, or otherwise notify individuals of the existence of hidden or secret extended warranties on certain automobiles, and whereas these secret warranties were extended because of known defects on certain automobile models, and whereas victims of auto breakdowns which have resulted from those known defects deserve to be reimbursed by the companies involved, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House calls on the Minister of Consumer and Corporate Affairs to table forthwith all documents and correspondence pertaining to these secret warranties.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, the unanimous consent of the House is required before the motion can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

AUDITOR GENERAL OF CANADA

REQUEST FOR DEBATE ON INCREASE IN STAFF—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an urgent and important matter.

Since the national budget is increasingly extensive and that it becomes essential to control more thoroughly the expenditures of the various departments as well as those of the Crown corporations, I therefore move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House suggest without debate that the staff at the Auditor General's office be increased to enable it to do a more thorough auditing which will enable hon. members to see more clearly how the estimates voted by the House are used.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under Standing Order 43, this motion

requires the unanimous consent of the House. Is there such a consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

EXTERNAL AFFAIRS

REQUEST FOR COMMITTEE STUDY OF POSSIBLE MONITORING OF LONG DISTANCE CALLS PLACED IN CANADA—MOTION UNDER S.O. 43

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. A few weeks ago the Rockefeller commission studying the activities of the CIA reported that the Russian government, using highly sophisticated technology, was monitoring and recording thousands of private telephone conversations in the United States. The commission also found that telephone calls made by government officials, including those in Congress and the White House, were also being monitored and recorded, and it was concerned about the threat not only of the possible disclosure of information relating to national security but also about the possibility that such monitoring might allow Soviet officials to blackmail private citizens into working for them.

As Canadian Defence Department officials disclosed that the Russians are also monitoring long distance telephone calls placed in Canada, I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the possibility of foreign monitoring of long distance telephone calls placed in Canada be referred to the Standing Committee on External Affairs and National Defence for immediate study and report.

Mr. Speaker: Order, please. The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—REQUEST FOR REMOVAL—INCREASE IN PRICE OF POWDERED MILK FOR EXPORT—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

At the beginning of the month the Minister of Agriculture (Mr. Whelan) announced a 45-cent additional deduction on milk powder exports. Since that measure means that each producer will suffer an average annual loss of income of $2,500 and that such a decision puts producers in an unacceptable situation contrary to the promises the minister had made last April, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That this House unanimously recommend to the responsible minister the immediate abolition of that deduction particularly unfair to industrial milk producers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO ARGENTINA—REQUEST FOR REPORT ON STATUS OF PROJECT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question to the Prime Minister relates to the CANDU sale to Argentina and the statement the Minister of Energy, Mines and Resources made in the House on July 14. He stated that a bilateral agreement regarding safeguards had not been completed and said, as reported on page 7520 of *Hansard:*

So, of course, the obligation under the financial agreement and the continuance of the project have been delayed while this is being negotiated.

In view of the minister's statement, what comment has the Prime Minister to make on the fact that, as reported in the press from Buenos Aires, the project is continuing, has been under way for one year, is under the supervision of AECL, and that a spokesman for AECL in Canada has stressed that if work was to have stopped at the site, it was up to the Canadian government, not AECL, to order it stopped? How does the Prime Minister reconcile the minister's statement with the facts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, assuming the facts are as reported in this article, I will have to ask for explanations to see what the answer is. The House will understand that the situation developed because after having entered into those arrangements with Argentina under the international safeguards, we did bring in, in December, very substantially increased safeguards. I believe we had the support of the House, at least, in asking for greater safeguards on CANDU technology and Canadian material. But this meant our returning to our co-contractor and reopening the contract in order to get him to accept higher safeguards.

In the meantime, my understanding is, as is that of the minister, that we had suspended the continuation of the work. If it has not been suspended, I will have to find out

the reasons why and either the minister or I will report back to the House.

Mr. Stanfield: In view of the fact we have gradually been finding our way through the policy with regard to this contract, and there seems to be a mixture of piety, humbug and evasion, with the minister claiming that the work was ordered to be stopped, will the Prime Minister ascertain the date on which AECL was ordered by the government to stop this work, and will the Prime Minister be prepared to table in this House the directives to AECL?

Mr. Trudeau: Mr. Speaker, I just answered that I will certainly find out what the facts are, and find out particularly whether the facts reported in the press are exact. But I must, with respect, point out that there may be some piety in our attitude but there is no evasion and no humbug. I think it is quite clear that the international safeguards which we had followed and which we had enjoined other countries to follow were considered sufficient until the experience of the explosion of a nuclear device by India last year. As a result of that, Canada unilaterally upgraded its safeguards to prevent the recurrence of such an event. There were, of course, contracts which were in train at that point. It did mean, for us, returning to our co-contractor and unilaterally trying to reopen the contract. This is not evasion; this is clear. This is an indication that the government is as concerned as anyone in this country about ensuring that the use of our technology does not lead to any explosive device.

Mr. Stanfield: Mr. Speaker, I have one further supplementary with regard to the humbug and the evasion. Will the Prime Minister try to find time to read the statement I made yesterday in the House on a point of order with regard to some of the history of this matter? When the Prime Minister reports back to the House with regard to any instructions given to AECL, will he also report the approximate amount of money that AECL has already committed, on behalf of Canada, to this project?

Mr. Trudeau: Yes, Mr. Speaker.

SALE OF CANDU REACTOR TO ARGENTINA—GOVERNMENT'S POSITION IN EVENT AGREEMENT ON SAFEGUARDS NOT REACHED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I will direct my question to the government House leader. At page 7086 of *Hansard* I concluded some remarks on this deal by saying:

> We now have contracts and an agreement. We are going to be in extreme difficulty if we try to back out of either the contracts or the agreement, and we will be in double jeopardy if we back out of both.

The government House leader immediately replied:

> Mr. Speaker, I am advised that the negotiations for the completion of bilateral agreement which flows from the agreement mentioned by the hon. member are still under way.

In light of those assurances which we received in the House, will the minister explain this statement of the Minister of Energy, Mines and Resources outside the House yesterday, that if it is proved impossible to get new safeguards, the CANDU will not be shipped and in that case the project probably will be a white elephant and open to a law suit?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as the Prime Minister has said, Canada is prepared not only to apply improved safeguards on new projects but on projects that are under way. I hope the hon. member will recognize that this may be costly.

Mr. McKinnon: In light of that assurance in the House, and in light of yesterday's statement by the Minister of Energy, Mines and Resources, that if we suspend the sale because of failure to agree on adequate safeguards the country could be open to a damage suit, will the minister explain why ministers have been telling this House day after day that the present negotiations were adequately provided for in the sales agreement?

Mr. Sharp: Mr. Speaker, this point was raised by the Leader of the Opposition and adequately replied to by the Minister of Energy, Mines and Resources.

Mr. Stanfield: No.

Mr. Sharp: I suggest the Leader of the Opposition should read again what the minister said. I listened very closely to his comments and I hope he reads the minister's comments as carefully.

* * *

FISHERIES

EFFECT ON ICNAF FISHING RESTRICTIONS OF SOVIET VESSELS BEING BANNED FROM EAST COAST PORTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State (Fisheries) arising out of his announcement that Soviet fishing vessels have been banned from the east coast of Canada. Given the size of the Soviet fishing vessels, they have the capacity to remain at sea for a long time. Can the minister give the House any reason for believing that the decision to ban Soviet vessels from our ports on the east coast will have the effect of ensuring compliance, on the part of the Soviet Union, with the ICNAF fishing restrictions, given the size of the Soviet vessels and their capacity to remain at sea for long periods?

● (1420)

Hon. Roméo LeBlanc (Minister of State (Fisheries)): I rejoice that the New Democratic Party has discovered the situation in the fisheries.

Some hon. Members: Hear, hear!

Mr. LeBlanc (Westmorland-Kent): I might also say I appreciate the support of the hon. member for the port closure decision. I think it is support; I do not know whether I understood him correctly. I would say to him that with 400 visits to our east coast ports last year, the Soviet fleet will find it is a very considerable inconvenience to them. However, I have not tried to mislead anyone by saying the Russian fleet cannot manage without the Canadian ports. They could do so, but I am sure they will

find it very inconvenient, judging from the level of the purchases they made in Canada last year.

Mr. Broadbent: Is it the minister's understanding that the ban the government has imposed will not in itself be sufficient to deter the Russians from overfishing off the east coast beyond our existing territorial limits—that it will not in itself be sufficient to achieve the ends to which he is committed?

Mr. LeBlanc (Westmorland-Kent): It is difficult to determine what the reaction of the Soviet government will be, but I would say to the hon. member that the ICNAF meeting in September will bring the 17 nations to the table and on this table will be one factor, that one country felt strongly enough that it closed the ports to one nation and threatened to close them to two others.

Mr. Broadbent: With reference to that September meeting in Montreal, I should like to ask the minister whether, if the government fails to get acceptance of its stated objective at that meeting of a 40 per cent reduction of foreign fishing off our east coast, he would state today in the House that this would automatically entail a decision by the Government of Canada to assume jurisdictional authority up to 200 miles off our east coast?

Mr. LeBlanc (Westmorland-Kent): I am sure the hon. member would not expect me to ask a question which starts with "if". Also, I hope he does not expect me to say exactly what we shall do before we even start negotiating, as we shall in September.

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[*Translation*]

TRANSPORT

DISCUSSIONS WITH QUEBEC ON IMPROVING COMMUNICATIONS BETWEEN ÎLES AUX GRUES AND MONTMAGNY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Transport.

As the means of communication between Îles aux Grues and the other islands located across from the town of Montmagny and suburban areas are not adequate to meet the needs of agriculture, tourism and industry, can the minister tell the House whether he has been in touch and discussed with the Quebec Minister of Transport the possibility of having communications that would correspond to the needs of that area while, at the same time, allowing the development of its tourist industry?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not had meetings with the Quebec Minister of Transport for that purpose. I believe the problem falls within the province's jurisdiction, that is to say that communications within a province are a provincial matter; of course, we could perhaps be of assistance to the extent where the Department of Regional Economic Expansion would agree with the province of Quebec to develop modes of transport between Île aux Grues and Montmagny. But the Department of Transport, as such, can do nothing about it under the circumstances.

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to direct a supplementary question to the Minister of Regional Economic Expansion. In view of the very worthy reply the Minister of Transport has just made, may I ask the Minister of Regional Economic Expansion whether he has had discussions, or whether the province of Quebec has made representations, through its own transport minister, to seek financial assistance from the central government, namely the Department of Regional Economic Expansion, to improve the communication facilities between Île aux Grues and the town of Montmagny, thereby contributing to the economic development of the area?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member probably knows, we have a number of existing agreements with the province of Quebec with regard to highways and we are negotiating a number of others. If the hon. member will permit, I will take the question as notice and find out about the specific one he refers to and whether or not discussions are under way.

* * *

FISHERIES

INQUIRY WHETHER BANNING OF SOVIET VESSELS FROM EAST COAST PORTS PRECEDED BY NEGOTIATIONS WITH FRANCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of State (Fisheries). Now that Canada has shown its willingness to flex its muscles in the announcement today by the minister closing east coast ports to the Soviet fishing fleet, may I ask the minister whether the announcement was preceded by negotiations with the government of France, and was an agreement obtained from that government that it would close the port at St. Pierre to these 400 ships? Otherwise, the minister's announcement would be tantamount to firing an empty shell across the bow of the Soviet fleet.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, remembering what the hon. member said some weeks ago when I talked of port closure, I rejoice that he has seen the light. I must say that this morning when I met with the minister of fisheries from Newfoundland, he supported me fully. I appreciate that. I also had the support of the minister of fisheries of Nova Scotia.

On the question of the St. Pierre and Miquelon utilization, I have said that we have been in contact with the government of France. They have already made a statement, reported in the press some weeks ago, to the effect that in no way could they increase their facilities to provide what is required from Canadian ports by foreign fleets.

CLOSING OF EAST COAST PORTS TO SOVIET FISHING FLEET—EFFECT ON ATLANTIC ECONOMY

Mr. James McGrath (St. John's East): Mr. Speaker, by way of a supplementary question may I say to the minister that the situation has become very serious and we have all had to revise our thinking because of the lack of action

taken by the government on behalf of the fishing industry. I should like to ask the minister whether the government intends to assess the economic impact that this closure will have on east coast ports, especially on the port of St. John's, and has any consideration been given to this bearing in mind that this area of Canada already has the highest rate of unemployment in the country? Let me tell the minister—

Mr. Speaker: Order, please. The hon. member for Northumberland-Durham.

Mr. McGrath: With respect, Mr. Speaker, this is a matter of vital concern to the Altantic provinces, especially to my province. I asked the minister a legitimate question.

Mr. Speaker: Order, please. The hon. member put a question to the minister which the minister may wish to answer. I interrupted the hon. member because he appeared to be headed toward a representation. If the minister wishes to answer the question, he may.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, we certainly did look at the economic impact that this would have. But we also felt it was time to do things about which we had been talking for weeks and months—

● (1430)

An hon. Member: For years.

Mr. LeBlanc (Westmorland-Kent): —and for years. If the hon. member cannot accept the wisdom of this decision, then he must make up his own mind. I would say to him that I think he was asking the rest of the nation to support this area—

Mr. McGrath: I did not say that, Mr. Speaker. On a point of order, the minister has no right to make insulting remarks like that.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If I am going to be strict with the hon. member posing the question, I ought to ask the minister to keep his answer to the same subject.

Mr. LeBlanc (Westmorland-Kent): I want to say, very quickly, that if I did not express myself properly perhaps I should speak in the other official language.

[*Translation*]

If the hon. member means to say that we have, in the rest of our country, a responsibility when we make national decisions of this type, I fully agree with him. And that is why I feel the whole nation must come to the assistance of fishermen in both these areas of our country, namely the Pacific and the Atlantic coasts.

[*English*]

Mr. McGrath: It is not as if the minister had attempted to answer my question. He has imputed motives and misrepresented what I said. May I ask the minister whether the government is now prepared, preliminary to its meeting with ICNAF countries in September, to announce to the world that if we cannot obtain agreement bilaterally, in reference to what the Prime Minister said yesterday, from nations which have historic rights on the east coast, we are prepared to close our east coast ports to all foreign fishing fleets?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, there are many nations in ICNAF supporting the stand we are taking. They have supported us actively, and I believe it would be totally irresponsible to have this sort of threat hanging over their heads.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO ARGENTINA—UTILIZATION OF SPENT FUEL

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I would like to get back to the Prime Minister's assurance that there is no humbug from that side of the House in relation to CANDU safeguards and the Argentinian deal. I ask whether he can clarify for me an apparent contradiction regarding the utilization of spent fuel rods, which I am sure is a matter important enough to be at least within his personal knowledge. On July 16, as recorded at page 7619 of *Hansard*, in answer to a question of mine, the Minister of Energy, Mines and Resources states the following with regard to spent fuel rods and the safeguards agreement with Argentina:

> —that the spent fuel to be used in a Canadian reactor or a reactor not constructed in Canada but with Canadian technology at a later date or one using fuel supplied by Canada, may not subsequently be applied for any weapons making purpose. There is no gap in the coverage of safeguards.

I wonder, therefore, if the Prime Minister could explain the words of the same minister, standing in his place in the House yesterday, who clearly stated something entirely different, namely, that Canada is still attempting to negotiate an agreement with Argentina under which Canada would have control over spent fuel from a CANDU nuclear reactor?

Mr. Stanfield: Two statements on two different days, that is all!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the first answer quoted by the hon. member is absolutely correct. It is an expression of the safeguards that we announced in December, this new level of safeguards, to the effect that they would apply to the whole life cycle of fission material or of material which has been processed by Canadian technology. The first answer is perfectly correct. The second answer is also perfectly correct. It applies to the precise case of Argentina which, as I explained earlier to the Leader of the Opposition, had been settled by negotiations before the upgraded safeguards. Now that we have upgraded the safeguards, we are going back to them and applying this new rule to them and asking that it be applied by them. This is the state of negotiations now.

I repeat, I think this should have the support of the House, since the opposition parties are telling the government that it should indeed have much higher safeguards than we have had in previous circumstances. Of course, having higher safeguards means that one has to go back to the people with whom negotiations have already begun and tell them that this is a new set of rules and we would like to negotiate them.

Mr. Speaker: The hon. member for Northumberland-Durham on a supplementary.

SALE OF CANDU REACTOR TO ARGENTINA—CONSULTATION BETWEEN DEPARTMENT AND AECL BEFORE COMMERCIAL AGREEMENT SIGNED

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, if you are limiting me to one supplementary question, may I ask the Prime Minister to go back to those words of July 16 when the minister was speaking specifically about Argentina and specifically saying that the agreement was concluded in regard to the safeguards and the spent fuel.

My supplementary question, then, is for the Secretary of State for External Affairs. Was the Department of External Affairs even consulted before AECL signed the commercial agreement with Argentina and actually commenced construction 1½ years ago and, if not, why not?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am sure that in the normal course there were exchanges between the two departments on this matter. But in order to confirm precisely the fact, I will have to have it checked.

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HOUSE OF COMMONS

COST OF KEEPING HOUSE IN SESSION

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I should like to direct my question to the President of the Treasury Board.

Some hon. Members: Oh, oh!

Mrs. Holt: In view of the fact that it costs $250,000 to $280,000 daily to keep this House in session, could the President of the Treasury Board say whether it is correct to estimate that the taxpayers of Canada have paid more than $1 million so far for the opposition parties to fight the Ontario election in this House?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker—

Mr. Speaker: Order, please. I recognize a slight political overtone in that question.

Mr. Chrétien: On a point of order, Mr. Speaker.

[Mr. Trudeau.]

Some hon. Members: No, three o'clock.

Mr. Lawrence: That was a sweetheart question.

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PUBLIC ACCOUNTS

EXPENDITURE OF PUBLIC FUNDS BY RICHARD DICERNI AND DANIEL COATES

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to direct a question to the chairman of the public accounts committee. Could he assure the House that the extensive, unusual and questionable expenditures of public funds by Richard Dicerni and Daniel Coates, just a fraction of which were revealed in the delayed answers to my starred questions Nos. 1,738 and 1,739, will be thoroughly investigated when the public accounts committee reconvenes, and a full report given to the House?

Mr. Turner (Ottawa-Carleton): That's a sweetheart question.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, the public accounts committee takes its terms of reference from the House of Commons. Generally speaking, those terms of reference require the committee to deal with the Auditor General's report for the preceding year. In answer to the question of the hon. member for Hamilton-Wentworth, let me say that if the item to which he refers is in the Auditor General's report for next year, as chairman of that committee I feel I can give him a reasonable assurance that this item will be investigated by the committee.

Some hon. Members: Hear, hear!

Mr. Dinsdale: That is the way to answer questions.

Mr. Turner (Ottawa-Carleton): I hope the Auditor General takes note of that question.

* * *

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO ARGENTINA—SUPERVISION OF CONSTRUCTION BY AECL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question follows on the original question asked by the Leader of the Opposition. I will address it to the Secretary of State for External Affairs. Did the government ever authorize AECL, a Canadian government agency, to undertake the task of supervising the building, up to the point of the foundations at least, of the nuclear reactor in Argentina? If it did not authorize this, when did the minister first become aware that AECL was in fact supervising this particular project?

● (1440)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the question, obviously, is for the Minister of Energy, Mines and Resources. AECL reports to that minister. I will attempt to get the informa-

tion and I will draw the attention of the minister to the question that has been asked.

Mr. Brewin: Mr. Speaker, is the minister suggesting that this information might be available to the Minister of Energy, Mines and Resources and was not conveyed to him? I am asking when he, as Secretary of State for External Affairs, first knew that a Canadian government agency was contributing, by supervision, toward the building of an Argentine reactor which apparently had not been approved by his department.

Mr. MacEachen: Mr. Speaker, I cannot understand the relevance of the question. What is important, so far as I am concerned, is the nature of the safeguards that are applied to all these Canadian, transferred nuclear facilities. That is the important concern from the policy point of view. If the hon. member wants me to answer questions on that subject, I will be glad to answer them.

Mr. Speaker: A final supplementary by the hon. member for Greenwood.

Mr. Brewin: Mr. Speaker, my final supplementary is this. Is the minister saying that the building of the superstructure for the reactor is no business of the Government of Canada, when a Canadian agency owned by the Government of Canada in fact is doing much of the work? It must have made the plans for the reactor available to the contractors.

Mr. MacEachen: Obviously it is of concern to the Government of Canada, but the operation, the whole transaction referred to is under the responsibility of the Department of Energy, Mines and Resources. The minister of that department, when he is in the House, will answer these questions when asked.

* * *

ADMINISTRATION OF JUSTICE

PRACTICE OF RCMP IN INVESTIGATING NARCOTICS SMUGGLING BY MAIL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General. It has to do with recent reports to the effect that more and more narcotics dealers in various parts of the world have launched a campaign against humanity as a whole. Is it not a fact that the RCMP officers protect Canadians in connection with narcotics and such offences, find themselves unable to do a full and complete job in connection with investigation of narcotics offences because of the fact that, no matter how much they may suspect that letters or other communications which pass through the mail carry within them narcotics, they are unable to make a search thereof?

Has the minister received complaints along this line? In view of the fact that narcotics destroy not only the bodies but the souls of individuals, if such is the case will the minister do something to bring in an amendment to the law, while protecting the privacy of the mail in general, to ensure that such potential interference with the administration of justice in respect of narcotics shall not be continued?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in recent years the RCMP has placed a very high priority on the fight against narcotics trafficking. For the past two years the RCMP has had agents in countries which are the principal sources of narcotics trafficking. With regard to mail, the right hon. member is correct in saying that first-class mail cannot be opened by the police during an investigation. When they suspect that narcotics are contained in first-class mail, they try to follow the mail to its destination and continue the investigation after the delivery of the mail. I cannot say that the RCMP have found this to be an insurmountable deterrent in dealing with this problem, but I will check with them to see if they have any further recommendation to make.

Mr. Speaker: One supplementary by the right hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Speaker, I thank the minister for his explanation. I would remind him of the fact that within the last few days he is reported in the press as having made a statement to the effect that it is against the law of Canada for Canadian government agencies to open the mail. Then he said:

> That has caused us—

I presume that is the RCMP.

> —some problems sometimes because on occasion we have known that narcotics have been coming into the country in the post.

Does the minister not feel there should be an amendment to the effect that, while the privacy of the mail should be protected, this kind of traffic should not in any way be condoned by the failure of parliament to act?

Mr. Allmand: Mr. Speaker, it is true that from time to time the RCMP have indicated a concern over this. Sometimes they have felt that narcotics were being brought into the country in the first-class mail and, as I say, in those cases they have dealt with the matter by following the mail to its source. But they have not made a big issue of it, and so far as I know they have not recommended that we change the first-class mail system. However, I will check with the force to find out what their exact recommendations are.

* * *

FINANCE

EFFECT OF NET CAPITAL OUTFLOW ON BALANCE OF PAYMENTS DEFICIT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that in 1974 Canada experienced a net capital outflow, the first since these numbers were recorded, can the minister inform the House if this net capital outflow is continuing this year and is contributing to our balance of payments deficit?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. At the moment, of course, the deteriorating current account deficit is due primarily to falling exports.

* * *

EXTERNAL AFFAIRS

AID PROGRAM TO INDIA—INQUIRY WHETHER CUT-BACK BECAUSE OF INDIA'S NUCLEAR BOMB TEST

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I ask for clarification of Canada's relationship with India, arising out of two important events, the detonation of a nuclear bomb by the use of Canadian technology, and the breakdown of parliamentary democracy in India. Has our aid program to India, with the exception of food, been suspended or cut back as an expression of Canadian concern and, if not, in what way has the Government of Canada communicated its concern about the escalation of danger brought about by the juxtaposition of nuclear technology and authoritarian rule?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, with reference to the nuclear explosion, following the explosion our government suspended all its aid programs with India with the exception of food and agriculture. That situation continues at the present time. The nuclear co-operation has been suspended and aid, with the exception of food and agriculture, is also under suspension.

NUCLEAR BOMB TEST BY INDIA—PERIOD WHEN GOVERNMENT REASSESSED AID PROGRAM

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary is for the Prime Minister. I should like to ask the Prime Minister, in light of his earlier response to the Leader of the Opposition to the effect that Canada began to tighten its safeguards after the nuclear explosion in India in May of 1974, and began to reassess its nuclear contracts—I believe that is what he said—how he relates that statement to the fact that AECL's involvement in Argentina began in August, 1974, some three months after the Indian explosion? When did the government's reassessment begin; was it before, or after, August?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, immediately after the explosion our reassessment began. I personally raised the matter with the Indian authorities and we sent a special delegation to India to try to clarify the matter and reach a satisfactory agreement. It was discussed again by me with some of the Commonwealth leaders as late as last April at the Commonwealth meeting, and between those two dates I had spoken to the ambassador.

I repeat that some Canadian officials had gone to India for a period of several months when we were trying to get a better understanding with India. Parallel to this we were studying the desirability of having unilateral increased safeguards, assuming we could not obtain agreement with India or with other countries in the IAEA. It was in December that things were brought to a head by this unilateral declaration. It does not mean that we are not continuing to receive multilateral acceptance of these higher safeguards—indeed, for obvious reasons this is very important—but in December we said that we had to act alone. It is a matter of conscience, and we will try to have our purchasers accept these higher safeguards.

● (1450)

Miss MacDonald: Is this information as to the reassessment which was being undertaken by the government conveyed to AECL so that it did not go ahead with its work in Argentina in August of 1974?

Mr. Trudeau: In this regard I would also say that the AECL is not directly under my authority and I would have to obtain the precise answer to that from the minister. But I must point out to the hon. member that we were tied by a contract with Argentina under the previous arrangements, and it is quite possible that AECL had no legal basis under which it could unilaterally break that contract. It was not its job as an agency to do so. It was relying on the government to attempt to do so, and that is where the minister's explanation comes in about us trying to have improved safeguards.

* * *

TRANSPORT

REQUEST THAT DEPARTMENT UNDERTAKE INVESTIGATION OF AUTOMOBILE FIRES

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, my question is to the Minister of Transport. Due to what appears to be an increase in fatalities in traffic accidents caused when one or both vehicles involved burst into flames, would the minister have his department undertake an investigation as to the causes of this apparent increase in fires in cars following accidents, and take steps to increase the safety factor with regard to fires in automobiles?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as the hon. member knows, we have a motor vehicles branch. Its duty is to check the safety of cars and to see that all cars sold in Canada have all the known safety features. If they do not have those features, of course we ask the manufacturer to recall the cars. But we do not investigate ordinary accidents; this is under provincial jurisdiction.

* * *

CONSUMER AFFAIRS

EXTENDED WARRANTIES ON AUTOMOBILES—REQUEST CONTENTS THEREOF BE MADE PUBLIC

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the latest revelation that the Department of Consumer and Corporate Affairs, by April of 1975, was well aware of the existence of extended warranties on certain makes of automobiles and specific quality defects,

and in view of the refusal of the department to inform the public of the existence of such hidden warranties, can the minister inform the House why his department did not relay the information about these extended warranties to the public? Can he also tell us why Box 99 refused to inform consumers who specifically inquired about such warranties?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to say that the hon. member is totally mistaken in the statements he has just made. Indeed no letters were exchanged between my department and the car manufacturing companies on the subject. On the other hand, officials of my department are trying to obtain extremely important information in favour of the consumer. The moment we get that information, I shall be pleased to make it public.

[*English*]

Mr. Rodriguez: I must inform the minister that I did not in any way suggest that he was informed by the automobile industry, but the Automobile Protection Association sent the minister's department information with respect to the extended warranties and therefore my supplementary question is this: Can the minister inform the House whether he intends to end the fine co-operation between his department and the automotive industry by publicizing all the information he presently has concerning the hidden warranties and by bringing in legislation which would make it mandatory for the industry to inform the consumer of extended warranties?

[*Translation*]

Mr. Ouellet: Mr. Speaker, the hon. member's question is based on false premises. That is why I gave a negative reply a while ago.

* * *

[*English*]

TRANSPORT

CLOSING OF NORTHERN MANITOBA AIRSTRIPS TO CLASS TWO AND CLASS THREE CARRIERS—GOVERNMENT CONTINGENCY PLANS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of Transport and it follows a question asked by my colleague, the hon. member for Churchill, last week. The minister will remember that my colleague asked what caused the minister to take steps to close the northern airstrips of Manitoba to class 2 and class 3 carriers. In view of the fact that these airstrips have been used for the past four years, I know the minister has a contingency plan otherwise he would not have closed them.

Some hon. Members: Question.

Mr. Whiteway: I would like to know if the minister would indicate to the House what the contingency plans are to remove the crippling effect which is the result of his action in closing these northern airstrips.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will take the question as notice and make inquiries in this regard.

* * *

PRIME MINISTER'S OFFICE

INQUIRY AS TO USE OF HELICOPTER IN PROVINCIAL ELECTION CAMPAIGN

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister which he can answer very easily, and it will enable his blood pressure to return to normal. Is the Prime Minister planning in the next few months to take any more helicopter tours around Ontario? If he is, would he accept an offer made by the Conservative MLAs and the candidates to pay all the expenses of his tour, which would take them off the backs of the taxpayers? The candidates feel they would receive tremendous benefits from a tour in the next election, just as I did when the Prime Minister paid my riding a visit prior to the 1972 election. He visited the Picton fair and gave the country an excellent idea as to why they should vote Conservative.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am a bit shocked at the offer of the hon. member, because when he says that the Conservative Party would pay for that, I know where they would obtain the funds.

An hon. Member: Same place you would.

Mr. Trudeau: I have here a letter addressed to the Ministry of Transport, in one language only, asking the Minister of Transport for funds for the Conservative Party, and I think this is very shameful.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

INDIAN AFFAIRS

REPRESENTATIONS FROM INDIAN BROTHERHOOD AND METIS ASSOCIATION REGARDING ESTABLISHMENT OF DENE NATION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Has the minister received any representations from the Indian Brotherhood and Metis Association of the Northwest Territories regarding the establishment of the Dene nation? Second, has the government established a position in this regard as yet; and third, if so, what is the position?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): No, Mr. Speaker. Except in press reports I have not received any official comment on this. I am waiting for a copy of the resolutions. However, my initial reaction is that two nations in the Northwest Terri-

tories is no more acceptable than two nations in any other part of Canada.

Some hon. Members: Hear, hear!

* * *

NORTHERN AFFAIRS

SITUATION RESPECTING NELSON RIVER PROJECT IN MANITOBA

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Minister of Indian Affairs and Northern Development. Since there may be a halt called to the Nelson River project in Manitoba unless, to use the minister's own words, additional information is supplied by the province of Manitoba, I would like to ask the minister what specific information he is asking for and what, in the minister's own words, have been the stumbling blocks which have led to the breakdown between the province of Manitoba and the federal government over this very important matter?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should indicate that the news reports seem to be emphasizing the negative rather than the positive. I had a good meeting yesterday with the Premier of Manitoba. We agreed that the two things which were essential were a clear definition of what the impact of this flooding would be on the reserves involved, and what compensation the province of Manitoba was prepared or would propose to give. The premier indicated that he felt he did reply to those requirements and outlined what I thought were some fairly positive ideas on how compensation should be handled. Basically, I am in the position of waiting for his reply.

● (1500)

Mr. Murta: I should like to ask if the minister did make a veiled threat to the Premier of Manitoba that an injunction to stop work on the total project would be sought unless information was obtained by August 6.

Mr. Buchanan: Mr. Speaker, I indicated during the press conference that after August 6 I would pursue with my colleague, the Attorney General, the matter of the action we should take. These are federal lands held in trust for Indian people, and they are under threat of being flooded. As trustee, I have a definite responsibility to the Indian people to make certain they are protected.

Mr. Roche: Mr. Speaker, I rise on a point of order. I think you will realize that I am not a chronic complainer. For that reason I want to draw the attention of the Chair to what I believe are rulings that are treating some members, myself included, as less equal than others.

Some hon. Members: Hear, hear!

Mr. Roche: Today, as has happened at least three times in the past three months, I have been denied permission by the Chair to ask a supplementary question without the Chair even knowing what I intended to ask. Following the refusal of the Chair today to allow me to ask my supplementary question concerning India and Canada's relationship with India—which I consider to be of extreme importance to this government and the whole country—hon. members representing Kingston and the Islands (Miss MacDonald), Nickel Belt (Mr. Rodriguez), and Lisgar (Mr. Murta) were permitted to ask supplementary questions without the Chair knowing what they wanted to ask either.

If Your Honour wants to uphold the practice of allowing as many members as possible to ask questions—given the exigencies of the clock—I find myself in complete support. Indeed, some of my colleagues in the fifth row were not recognized today and I would have gladly yielded on my supplementary question to one of them. Some of my colleagues who wanted to ask a first question were not able to do so.

My point is that the decisions of the Chair are unclear as to the criteria for permission to ask a supplementary question. In other words, how is the Chair coming to this decision? I feel that unless this situation is clarified we in the fourth and fifth rows, who have a difficult enough time in trying to be heard in this House, will have to keep protesting.

I believe the people of Edmonton-Strathcona sent me here to do a job, and Your Honour's rulings are as much a reflection upon them as upon me. I therefore move, seconded by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan):

That the problem of supplementary questions—

Mr. Speaker: Order, please. The hon. member realizes, of course, that he is not in a position to introduce a motion on the proceedings of the House. His point of order is one with which I sympathize, but I hope he will recognize that I have tried to keep very careful watch on members like himself who are consistently in the House and stand each day. The reason he was recognized today, with others on the back benches, in preference to some on the front benches and senior members is because they have been here for two or three days in succession trying to be recognized. The reason his supplementary was not granted was because of a simple choice I have to make every day which becomes no simpler with the passage of time.

Some questions have been explored by earlier questions, some have been covered in a general way, and others are new subjects. The hon. member mentioned by comparison the hon. member for Nickel Belt (Mr. Rodriguez) who raised a brand new subject. It would seem to be most difficult to stop that without permitting a supplementary. In contrast, the hon. member raised a question about nuclear arms sales, and an explosion that has taken place in India, which have been the subject of questions not only by his leader today but also on earlier days. Therefore, if I have to select some questions on which I do not grant a supplementary, obviously it is on matters of a general nature which have been covered in other questions. If I select questions on which to grant supplementaries, it is on ones which are of a specific nature and which raise new subjects.

There is no guideline. It is not an easy matter. There are other hon. members who have a much more serious grievance. I rather suspect that the hon. member for Frontenac-

Lennox and Addington (Mr. Alkenbrack), who seeks the floor on a point of order, is one of them; the hon. member for Wetaskiwin (Mr. Schellenberger) is another who has not been able to be recognized; the hon. member for Moose Jaw (Mr. Neil) was recognized today after three or four days—much longer than the hon. member in trying to achieve the floor.

It simply is not possible to send every member home happy after the question period. The hon. member has to recognize that, and I think we have to accept collective responsibility for it rather than trying to place individual responsibility.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: Mr. Speaker, my point of order also affects the privileges of all members of the House. It arises from derogatory remarks regarding the duties and standing of members of the House made this afternoon by the hon. member for Vancouver-Kingsway (Mrs. Holt) who said that it costs over $200,000 per day to operate this House. The inference made by the hon. member is that the members of the official opposition, by being here in our places, are causing additional expense to the Canadian people.

An hon. Member: Where is she?

An hon. Member: She has gone home.

Mr. Alkenbrack: My point of order—in her absence, although she was here a few minutes ago—is that since all members of this House and all employees are paid on an annual basis and all expenses and costs are fixed annually, her statements are without foundation and are misleading to the Canadian people.

Some hon. Members: Hear, hear!

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I rise on a point of order. In the very nature of my job I have to be neutral and, like the Minister of Transport (Mr. Marchand), I have been put under pressure to give money to the PC's who say to me, "We cannot do it alone, we need your help."

ROUTINE PROCEEDINGS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO REVIEW NEED FOR MORTGAGE SUBSIDIES

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-409, to amend the National Housing Act (proof of need).

Some hon. Members: Explain.

Mr. Reynolds: Mr. Speaker, the purpose of this bill is to give to the Central Mortgage and Housing Corporation the power to demand production of T-4 slips each year from those receiving assistance with private mortgages, to ensure that the recipients of such help continue to need the subsidy first allocated to them.

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

* * *

MOTOR VEHICLE SAFETY

MEASURE TO ENSURE USE OF SEAT BELTS

Mr. David MacDonald (Egmont) moved for leave to introduce Bill C-410, respecting the use of safety belts in motor vehicles under federal jurisdiction.

Some hon. Members: Explain.

Mr. MacDonald (Egmont): Mr. Speaker, this bill will require the wearing of safety belts in all federal highway vehicles, and require that seats for school buses imported into Canada are equipped with approved restraining devices.

A number of countries have already discovered that safety belt usage has increased from about 12 per cent to over 75 per cent with the adoption of a legal requirement. The 1974 federal provincial conference of health ministers approved such legislation in principle. Evidence is overwhelming that safety belts save lives.

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

* * *

● (1510)

NATIONAL RESOURCES AND PUBLIC WORKS

OIL AND GAS—AUTHORITY FOR STANDING COMMITTEE TO TRAVEL IN CANADA AND ALASKA, U.S.A.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, a few days ago the House approved a study by the Standing Committee on National Resources and Public Works of oil and gas policies and some other subjects, and gave the committee authority to adjourn from place to place in Canada and in Alaska for a period of not more than 20 days in September, 1975.

I have been asked by members of the committee to move a motion, for which I believe I have the unanimous agreement of the House leaders, which will amend that authority and that instruction by changing the period during which the travel may take place from September, to the period September 1, 1975, to October 13, 1975. Therefore, with the consent of the House, I move:

That, during the study by the Standing Committee on National Resources and Public Works of the questions of oil and gas pipelines and the supply of oil and natural gas from frontier areas, the members of the said committee and the necessary support staff be authorized to adjourn from place to place in Canada and in Alaska, U.S.A., for a period of not more than twenty days between September 1, 1975 and October 13, 1975.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,320, 2,467, 2,487, 2,492, 2,585, 2,616, 2,674, 2,740, 2,825, 2,841, 2,842, 2,884 and 2,895.

Mr. Speaker, if questions Nos. 2,230 and 2,411 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, I ask that questions Nos. 1,453, 1,577, 1,752, 2,082, 2,373 and 2,374 be made orders for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

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

[*Text*]

STATISTICS CANADA—HIRING OF PUBLIC RELATIONS FIRM

Question No. 2,320—**Mr. Patterson:**

1. Has Statistics Canada hired the public relations firm Heal, Shaw and Walden, Toronto, on a six month contract and, if so (a) what is the dollar value of such contract (b) what is the termination date of such contract?

2. (a) What work is the firm expected to perform (b) will it perform work that cannot be done by regular employees of Statistics Canada Information Service?

3. Was the firm hired with the permission and knowledge of the Minister or was it hired by Mr. David Worton on his own initiative?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: 1. Yes. (a) The contract is for a maximum of $50,000. (b) It terminates on June 30, 1975.

2. (a) The firm is assisting Statistics Canada in an evaluation of its procedures for conducting household surveys, including the means by which respondents' understanding of the purposes of such surveys, and their cooperation in supplying information, can be enhanced. (b) The work in question requires not only informational skills, but also those of subject-matter and field collection specialists. The Information Division of Statistics Canada is actively participating in the work, but it was decided to augment their resources by the use of an outside firm because of temporary staff shortages at the senior level.

3. The decision to seek outside assistance was made according to standard government practice with submission to and approval by Treasury Board.

FEDERAL BUILDING, NEWCASTLE, N.B.

Question No. 2,467—**Mr. Jones:**

1. Are there any plans (a) for the extension of the federal building (b) to build or acquire by lease or otherwise additional space in Newcastle, New Brunswick and, if so, what are such plans?

2. What is the total cost of the space required?

[Mr. Sharp.]

3. What is the breakdown of the space required by purpose and department and, in each case, what is the cost?

Hon. C. M. Drury (Minister of Public Works): 1. (a) Yes. The Department of Public Works called public tenders on July 2, 1975 for a one-storey addition as well as renovations to the existing ground and second floors of the Government of Canada Building in Newcastle, N.B. (b) The Department of Public Works has leased 4,702 rentable square feet of office space for the Department of Manpower and Immigration for a five-year term effective June 1, 1975. The space is located on Pleasant Street and is being leased from Commercial Real Estates Limited, P.O. Box 100, Newcastle, New Brunswick.

2. With respect to 1 (a), it is not customary to announce estimated costs before a contract has been awarded. The total cost of the leased space referred to in 1 (b) is $35,265 per annum.

3. The additional space in 1 (a) above is required by Canada Post Office. The balance of the ground floor and the second floor of the Newcastle Government of Canada Building will continue to house National Revenue (Customs and Excise), Environment Canada (Fisheries), Ministry of Transport (Marine Service) and Canadian National Telecommunications. The leased space as in 1 (b) above will accommodate the Department of Manpower and Immigration (Canada Manpower Centre and Job Information Centre).

AIR CANADA—MANAGEMENT CONSULTANTS

Question No. 2,487—**Mr. MacKay:**

1. How many different management consultant and/or personnel placement companies has Air Canada dealt with in the past four years?

2. How many executives have been placed with Air Canada by management consultant and/or personnel placement companies?

3. What commission was paid, in each case, by Air Canada to the personnel placement and/or management consultant companies?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. For recruitment purposes only, a total of four management consultants and/or personnel placement agencies.

2. A total of four executives.

3. Fees paid ranged from a minimum of $2,650 to a maximum of $12,000. Because these fees are directly related to the salaries of the individuals involved and because individual executive salaries are considered to be proprietary information, the actual amount in each case is not publicly available.

AIR CANADA PASSES

Question No. 2,492—**Mr. Mazankowski:**

1. With reference to the answer to Question No. 1,523, for what reason does Air Canada offer free passes to Post Office officials?

2. Are persons who currently have Air Canada passes able to use their pass after they retire or leave public service?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. The development of the movement of mail by air has been a joint venture of the Post Office and the airlines. This joint venture has benefits for both parties and it has become a

practice followed by airlines in Canada and other countries to provide a certain amount of transportation for Post Office officials to attend meetings of the two groups, sometimes at distant locations.

2. Only Air Canada employees, retain certain passes after retirement. Non-company personnel do not.

DERAILMENTS AND MILEAGE

Question No. 2,585—**Mr. Wenman:**

1. For each of the past ten years, by province, how many train derailments were there on track operated by (a) CN (b) CP?

2. For the years 1965 to 1974 inclusive, what was the increase in (a) passenger-car miles (b) freight-car miles for (i) CN (ii) CP?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. See table at end of answer.

2. (a) The increase in passenger-car miles for the years 1965 to 1974 inclusive were as follows: (i) Canadian National Railways, 1965, 18,617,914; 1966, 2,701,523; 1967, 16,429,982; 1968, No increase, (Decreased 36,964,499); 1969, No increase, (Decreased 25,285,044); 1970, No increase, (Decreased 22,664,465); 1971, No increase, (Decreased 14,984,601); 1972,No increase, (Decreased 10,575,221); 1973, No increase, (Decreased 17,625,787); 1974, 13,305,329; (ii) Canadian Pacific Limited, 1965, 19,282,224; 1966, 31,565,734; 1967, 10,152,881; 1968, No increase, (Decreased 18,338,754); 1969, No increase, (Decreased 1,288,152); 1970, No increase, (Decreased 2,300,748); 1971, No increase, (Decreased 8,079,-586); 1972, No increase, (Decreased 491,605); 1973, No increase, (Decreased 5,354,122); 1974, 4,193,896.

2. (b) The increase in freight-car miles for the years 1965 to 1974 were as follows: (i) Canadian National Railways*, 1965, 29,076,344; 1966, 67,980,743; 1967, No increase, (decreased 53,784,375); 1968, No increase, (decreased 13,350,706); 1969, 80,979,871; 1970, 120,877,731; 1971, 128,971,-874; 1972, 146,230,671; 1973, No increase, (decreased 79,700,-644); 1974, 173,357,014; (ii) Canadian Pacific Limited*, 1965, 5,332,429; 1966, 122,221,441; 1967, No increase, (decreased 112,490,356); 1968, No increase, (decreased 51,976,421); 1969, 29,276,919; 1970, 142,896,963; 1971, 60,666,-447; 1972, 103,828,610; 1973, 14,078,239; 1974, 65,481,920.

* These figures do not include Caboose Miles.

Derailments CN and CP
1965—1975*

	1965		1966		1967		1968		1969		1970		1971		1972		1973		1974		1975*	
	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP	CN	CP
Newfoundland	1	—	3	—	3	—	6	—	7	—	8	—	8	—	10	—	16	—	19	—	1	—
Nova Scotia	8	—	3	—	8	—	11	—	6	—	3	—	8	—	13	—	10	—	11	—	3	—
New Brunswick	13	—	8	—	9	1	21	2	14	2	28	—	18	—	15	—	10	3	13	2	3	2
Prince Edward Island	1	—	—	—	1	—	1	—	—	—	2	—	1	—	2	—	1	—	1	—	1	—
Quebec	28	5	37	3	33	2	26	3	29	5	25	3	29	5	41	8	35	4	41	7	6	1
Ontario	49	17	53	22	36	12	40	27	47	17	58	24	52	19	40	17	46	22	59	37	12	4
Manitoba	12	1	19	7	13	2	11	3	19	8	22	12	27	4	34	6	23	3	28	5	4	—
Saskatchewan	16	6	17	9	11	9	7	5	13	8	12	12	10	5	16	11	14	14	14	18	2	4
Alberta	22	8	11	5	16	6	8	7	10	7	12	4	9	5	24	9	23	10	49	14	6	4
British Columbia	18	12	15	19	27	16	16	25	18	20	20	14	26	13	41	30	23	23	38	38	8	10

*January and February, 1975

NATIONAL DEFENCE—BADGES

Question No. 2,616—**Mr. Forrestall:**

Has the situation of January 17, 1975, described by the Minister of National Defence as "at present the sailor is able to identify with Maritime Command, and the soldier is able to identify with Mobile Command" changed by the decision to refuse to allow servicemen the right, acknowledged until recently, to wear the badges of their former pre-unification element/service and, if so, for what reason?

Hon. James Richardson (Minister of National Defence): No. As stated in response to Question 2403* (*Hansard* 134, page 5,877 dated 16 May, 1975) dress instructions issued on 3 April, 1970 stated that the cap badges associated with the class of service to which officers and men are assigned, were to be worn when the badge became available. Under the dress instructions issued on April 3, 1970 identification with a command is achieved by a badge worn on the right breast pocket by all members of the command. Also under these regulations identification with the classification or trade to which officers and men are assigned is achieved by a cap badge. It is for this reason that cap badges are not related to commands.

BILINGUALISM

Question No. 2,674—**Mr. Cossitt:**

Was a document dated March 18, 1975 headed "Open Invitation to D.S.S. Bilingual Anglophones" and "*Invitation aux francophones bilingues du MAS*" circulated to employees in the Services and Receiver General of Canada Branch of the Department of Supply and Services and, if so (a) was it marked "Personal and Confidential" and for what reason (b) what was the exact purpose of the document (c) did all employees receive a copy and, if not, for what reason (d) was the document mailed or distributed to all employees with (i) English surnames (ii) French surnames?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): A memorandum dated March 18, 1975, headed "Open Invitation to DSS Bilingual Anglophones" and "Invitation aux francophones bilingues du MAS" was circulated to certain employees of the Department of Supply and Services. (a) The memorandum was not marked Personal and Confidential because the content did not warrant this classification. (b) The purpose of the document was to encourage anglophone graduates of French language courses to use their recently acquired knowledge

and thereby maintain or improve their communication with others in their second official language, and to encourage their colleagues who are already bilingual including those who have French as their Mother tongue to assist them by using the French language whenever possible and appropriate. (c) All employees did not receive a copy since it is addressed to bilingual Anglophone and Francophone employees only. The invitation was not applicable to unilingual employees by its very nature. (d) The document was mailed to employees whose departmental records indicated that they enjoyed bilingual status, regardless of surname.

FISSIONABLE MATERIAL

Question No. 2,740—**Mr. Francis:**

To the knowledge of the government, did Dr. Fred Iklé, director of the US Arms Control and Disarmament Agency and others, estimate that within 20 years the fissionable material in foreign transit at any given time will be enough to make 20,000 nuclear bombs and, if so, is the government prepared to make representations to the United Nations and other world councils regarding the necessity of new international institutions to supervise the flow of nuclear materials and prevent the theft of such materials?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Estimates on the amount of fissionable material that will be in transit at any given time 20 years from now are of course entirely speculatve in nature. It is reasonable to assume that certain quantities of fissionable materials will be in transit, and that should such material be stolen it is conceivable that an explosive device could be developed. There are strict regulations set up by the IAEA on the safe transport of radioactive material and extensive recommendations on the physical protection of such material in transit designed to prevent theft. Traditionally, the matter of physical protection has been viewed as the domestic responsibility of the states involved. At the recent NPT Review Conference it was agreed that the establishment of a convention to secure internationally applied physical protection standards was a matter that should receive further study. Through our participation in the IAEA Canada has always made clear its concern for stringent supervision of radioactive materials in transit, and we will continue to press for tighter regulations in this matter.

PUBLIC SERVICE—NUMBER OF PERSONNEL HIRED TO IMPLEMENT BILL C-21, BILL C-28, BILL C-30 AND BILL C-50

Question No. 2,825—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Department of Agriculture for duties relating primarily to the implementation and administration of (i) Bill C-21, An Act to amend the Agricultural Products Cooperative Marketing Act (ii) Bill C-28, An Act to amend the Animal Contagious Diseases Act (iii) Bill C-30, An Act to repeal the Prairie Farm Assistance Act (iv) Bill C-50, Act to amend the Agricultural Stabilization Act?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) (i) nil, (ii) 27, (iii) nil, (iv) nil; (b) (i) nil, (ii) one, (iii) nil, (iv) nil.

[Mr. Goyer.]

2. Hired by the Public Service Commission with duties related to Bill C-28. 1, August 2, 1973; 2, September 24, 1973; 2, October 1, 1973; 1, October 15, 1973; 2, November 26, 1973; 1, January 1, 1974; 4, March 5, 1974; 1, February 4, 1974; 1, March 25, 1974; 1, April 29, 1974; 1, May 1, 1974; 1, May 6, 1974; 1, May 15, 1974; 1, June 25, 1974; 1, July 8, 1974; 1, July 15, 1974; 1, July 28, 1974; 1, October 1, 1974; 2, November 1, 1974; 1, December 1, 1974; total 27. Hired under contract with duties related to Bill C-28, 1, July 15, 1974.

CMHC—EMPLOYMENT OF JEAN C. PARADIS

Question No. 2,841—**Mr. Huntington:**

1. Was or is Jean C. Paradis an officer, director or in any way connected in an advisory capacity with the Central Mortgage and Housing Corporation?

2. On what date did he attain this position?

3. Did he attain this position by appointment or election?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1, 2 and 3. Mr. Jean C. Paradis was appointed Regional Supervisor, Quebec Region, on January 1, 1954. He resigned on June 11, 1954, to accept employment with Campeau Corporation.

TRANSPORT—FEDERAL COMMERCE AND NAVIGATION COMPANY LIMITED

Question No. 2,842—**Mr. Huntington:**

1. By what process did the government choose Federal Commerce and Navigation Company Ltd., as its partner in the 35 million dollar bulk carrier icebreaker, announced June 16, 1975?

2. Were other companies given the opportunity to submit tenders for the contract and, if so, who were they?

3. Which Eastern Arctic mines including the destinations to which the ores are to be shipped will be served by this vessel?

Hon. Jean Marchand (Minister of Transport): 1. Approximately three years ago the Department of Industry, Trade and Commerce and the Ministry of Transport engaged in discussions with a number of Canadian shipping companies concerning the design, construction and operation of Arctic Class vessels. The purpose of these discussions was to encourage companies to take the initiative in this new area of shipping technology and operation, and submit ideas and proposals for consideration to Industry, Trade and Commerce and MOT.

2. The companies involved included Federal Commerce and Navigation, Canadian Steamship Lines, Upper Lakes Shipping, Canadian Arctic Consortium, Agence Maritime, Cogemar, Bomar Navigation. Only Federal Commerce continued to show interest, and proceeded at their own expense to design an Arctic vessel and subsequently received from Industry, Trade and Commerce a PAIT grant (Program for the Advancement of Industrial Technology). On the basis of Federal Commerce initiative and the PAIT grant, a proposal of joint risk sharing between Government and Industry to construct and operate such a vessel was developed.

3. The Navisivik Mine at Strathcona Sound and the proposed Arvik mine at Little Cornwallis are presently the most likely sources of cargo for the proposed icebreak-

ing cargo vessel. Both mine outputs have Europe as their final market destination.

TREE NURSERY AT INDIAN HEAD, SASKATCHEWAN

Question No. 2,884—**Mr. Hnatyshyn:**

1. In regard to the tree nursery at Indian Head, Saskatchewan, what was the cost of this operation for the years (a) 1972 (b) 1973 (c) 1974 (d) first six months of 1975?

2. What was the income of this operation for the same years?

3. What was the source of such income?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): This venture is owned and operated by the Province of Saskatchewan and accordingly the Department of Indian Affairs and Northern Development submits a nil reply.

CONSUMER HELP OFFICES

Question No. 2,895—**Mr. Herbert:**

With reference to the answer to Question No. 2,286, for what reason were no consumer help offices located in the Province of Quebec?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): In the answer to Question 2,286, part 2, it was indicated that there were seven Consumer Help Offices at varying stages of development. Two of these are in the Province of Quebec. Arrangements have since been concluded with Le Centre Communautaire et Dépannage and with Le Centre Communautaire St. Urbain Community Centre (University Settlement of Montreal) for the operation of Consumer Help Offices in Montreal.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

HIRING OF PUBLIC SERVANTS

Question No. 1,453—**Mr. Huntington:**

1. How many public servants were employed in (a) 1968 (b) 1970 (c) 1972 (d) 1974 as (i) full-time employees (ii) part-time employees (iii) consultants?

2. What were the maximum, minimum and average pay levels in each such year for (a) full-time employees (b) part-time employees (c) consultants?

3. By department, how many public servants were employed in each such year as (a) full-time employees (b) part-time employees (c) consultants?

4. By department, what were the maximum, minimum and average pay levels in each such year for (a) full-time employees (b) part-time employees (c) consultants?

5. What was the total amount paid by the government for consultants in each year 1968, 1970, 1972 and 1974?

Return tabled.

SPECIAL PUBLICATIONS DEALING WITH DEPARTMENTAL ACTIVITIES

Question No. 1,577—**Mr. Dinsdale:**

1. What departments publish special publications dealing with departmental activities?

2. For each publication, what is the (a) name (b) cost (c) circulation?

3. Which of these publications are prepared (a) by departmental employees (b) under contract and, in each case, who has the contract and at what cost?

4. What publications are printed by (a) Queen's Printer (b) private printers and, in each case, who is the private printer and what is the cost for each edition?

Return tabled.

PUBLIC SERVICE—EMPLOYMENT OF INFORMATION OFFICERS

Question No. 1,752—**Mr. Roche:**

1. (a) How many information officers are employed by government departments (b) what are their (i) names (ii) titles (iii) salaries?

2. (a) How many assistant information officers are employed by government departments (b) what are their (i) names (ii) titles (iii) salaries?

3. (a) How many information officers are employed by Crown corporations (b) what are their (i) names (ii) titles (iii) salaries?

4. What is the total amount of money paid all advertising agencies, public relations firms and freelance speechwriters in the last fiscal year for which such figures are available?

Return tabled.

PUBLIC SERVICE—DUTIES OF INFORMATION SERVICES

Question No. 2,082—**Mr. Marshall:**

1. What are the duties of the information services in (a) Agriculture (Director of Information) (b) Airtransit Canada (c) Atomic Energy of Canada (d) Canada Council (e) Canada Labour Relations Board (f) Canadian Government Office of Tourism (g) Canadian International Development Agency (h) CRTC (i) CMHC (j) Communications (k) Consumer and Corporate Affairs (l) Emergency Planning Canada (m) Energy, Mines and Resources (n) Environment (o) Export Development Corporation (p) External Affairs (q) Farm Credit Corporation (r) Finance (s) Indian Affairs and Northern Development (t) Industrial Development Bank (u) Industry, Trade and Commerce (v) Justice (w) Labour (x) Manpower and Immigration (y) Metric Commission (z) National Arts Centre (aa) National Capital Commission (bb) National Defence (cc) National Film Board (dd) National Gallery of Canada (ee) National Harbours Board (ff) National Health and Welfare (gg) National Library (hh) National Museums of Canada (ii) National Museum of Man (jj) National Museum of Natural Sciences (kk) National Museum of Science and Technology (ll) National Research Council (mm) National Revenue (Customs and Excise) (nn) National Revenue (Taxation) (oo) Post Office (pp) Privy Council (qq) Public Archives (rr) Public Service Commission (ss) Veterans Affairs (tt) Public Works (uu) Regional Economic Expansion (vv) Royal Canadian Mounted Police (ww) Science Council of Canada (xx) Science and Technology (yy) Secretary of State (zz) Solicitor General (aaa) Statistics Canada (bbb) Supply and Services (ccc) Transport (ddd) Transport Commission (eee) Treasury Board (fff) Unemployment Insurance Commission (ggg) Urban Affairs?

2. How do such duties differ from the functions which Information Canada is responsible for performing?

Return tabled.

ANNUAL REPORTS FOR CROWN CORPORATIONS

Question No. 2,230—**Mr. Herbert:**

1. On what date was the latest annual report for each Crown corporation made available to the public?

2. In each case, what was the fiscal year end if other than December 31?

Return tabled.

Order Paper Questions

PUBLIC SERVICE—LANGUAGE TRAINING

Question No. 2,373—**Mr. Cossitt:**

With reference to the answer to Question No. 456 of the Second Session of the 29th Parliament which stated in part that 526 Public Service employees had taken French lessons and 21 had taken English lessons at a cost of $793,994 at the Berlitz School of Languages in Ottawa during the past three years, what are the names, job designations and government departments of all such persons?

Return tabled.

PUBLIC SERVICE—LANGUAGE TRAINING

Question No. 2,374—**Mr. Cossitt:**

Since the answer was prepared to Question No. 456 of the Second Session of the 29th Parliament (a) how many additional public servants have taken or are taking at public expense (i) French-language courses (ii) English-language courses at the Berlitz School of Languages in Ottawa (b) what is the total expenditure in this regard from public funds (c) what are the names, job designations and government departments involved?

Return tabled.

POST OFFICE—BATTERTON MAIL SERVICES LTD.

Question No. 2,411—**Mr. McKenzie:**

1. Is government mail being delivered and/or picked up daily by trucks of Batterton Mail Services Ltd. in the Ottawa area and, if so (a) at what points (b) what type of mail is handled (c) under what contracts?

2. Is the material of any department or agency being distributed by this company and, if so, what is the annual cost to each department or agency?

Return tabled.

Mr. Diefenbaker: Mr. Speaker, for the second time I must raise this matter. I dislike doing this, but when the government fully intends to refrain from giving information which must be available to it, one can only conclude that it is contempt of the House. On May 23 I placed on the order paper question No. 2,542, a simple question which reads:

Are Canadians employed by the United Nations or any of its agencies or any organizations under its aegis subject to income tax on their earnings?

That question remains unanswered two months later. Why? Is the reason this, that it would be embarrassing if it were ascertained that some of those employed by the United Nations pay income tax, but others do not?

Mr. MacKay: Mr. Speaker, I, too, rise on a point of order with regard to an unanswered question on the order paper. I put starred question 2,527 on the order paper on May 20. It remains unanswered. I fail to see why it should not have been answered immediately. To be fair, I did receive today an answer to one question standing in my name. I should like to be assured that the question will be answered in due course, no matter whether the principal secretary of the Prime Minister (Mr. Trudeau) remains in his present position.

Mr. Basford: Mr. Speaker, may I deal with the matter raised by the right hon. member for Prince Albert (Mr. Diefenbaker). I presume the question placed on the order paper has been referred to my department and, although it has not come to my personal attention, I will examine the matter immediately.

[Mr. Herbert.]

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 40?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

COPY OF THE EXTRACT FROM THE BOARD MINUTES OF THE NATIONAL HARBOURS BOARD PASSED JANUARY 30, 1975

Motion No. 40—**Mr. Forrestall:**

That an Order of the House do issue for a copy of the extract from the Board Minutes of the National Harbours Board, passed January 30, 1975, described in the answer to Question No. 1,899 relating to the delegation by the Board of some authority at the Port of Montreal to an Executive Committee with respect to day-to-day operations of the Port.

Mr. Baldwin: Mr. Speaker, may I move the motion on the hon. member's behalf.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the National Harbours Board does not make public extracts of board minutes. However, as the Minister of Transport (Mr. Marchand) has the discretion to make public board policy matters regarding the delegation of authority to port authorities, executive committees, and port managers for the ports of Montreal and Vancouver, I wish to table in both official languages the policy adopted by the board on January 29, 1975. I therefore ask that this motion be withdrawn.

Mr. Baldwin: Mr. Speaker, the parliamentary secretary indicated his intention to make this request. In the absence of the hon. member, and considering how unusual it is to see the government provide information of any kind, may I, on the hon. member's behalf, accept the parliamentary secretary's suggestion.

Order discharged and motion withdrawn.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

EXTERNAL AFFAIRS

CANADIAN INVOLVEMENT IN CONSTRUCTION OF NUCLEAR REACTOR IN ARGENTINA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I ask leave to move a motion for the adjourn-

ment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, Canadian involvement in the construction of the nuclear reactor near Cordoba, Argentina, an involvement which has been in progress despite an absence of adequate safeguards.

Mr. Speaker: The Leader of the Opposition (Mr. Stanfield) was good enough to give the Chair notice of his intention to request an emergency debate pursuant to Standing Order 26. The Chair does not intend to deal at length with the suggestion of the Leader of the Opposition. The motion, of course, concerns a matter of great importance, as is made clear by the frequency with which the House's attention is directed to that subject during the question period and through the use of motions proposed pursuant to Standing Order 43.

The Chair must repeat the same basic reasons that it gave a week ago to the hon. member for Greenwood (Mr. Brewin) when the general subject of nuclear arms sales and safeguards policies was raised in the same way by that hon. member. Whether it was exactly a week ago is not material. It was actually nine days ago.

It was then the position of the Chair, as reported at page 7531 of the *Hansard* of the current session, was outlined showing that the subject had been a matter of continuing concern. That was also evident in today's question period, as perhaps half the question period was taken up by hon. members asking the questions about safeguards and about the general arms policy.

This shows two things. First, it is an extremely important subject, of great concern to Canadians, and therefore it is understandable why both hon. members sought the intervention of the Chair in setting aside time for an emergency debate. On the other hand, it has been a subject of concern for some time and, undoubtedly, whether there is a debate this evening or any other evening in the near future, it will continue to be a subject of concern, and hon. members will continue to direct questions to the government on its policies. Therefore, it seems to me as not being directly suitable for the treatment that is envisaged by Standing Order 26.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will you forgive me if I raise a point of order? In doing so, I do not argue with your decision. I wonder, if there are future efforts to move motions under Standing Order 26 with respect to this matter, whether Your Honour will take into consideration the fact that the repeated raising of this question in this House means that it is a serious one. Will Your Honour also take into consideration that new developments can take place that make it more serious than it was earlier? As I say, Your Honour has made your ruling for today. I hope that any further attempts to move this motion will receive the kind of consideration I have now suggested.

● (1520)

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) raises a valid point of order. Hon. members will understand from the previous treatment of motions concerning labour unrest throughout Canada that there have been situations in which the Chair has simply said "At the moment the matter is one of continuing concern." However, that does not in any way preclude developments that may take place in the next few days which will aggravate the situation to the point persuading the Chair on another day as, for example, the instance put forward today. Rather than being part of a general policy, it concerned a particular sale. Events might transpire over a matter of hours or days that would bring it to a crisis or critical situation. While the Chair is of the opinion that at the moment the circumstances do not warrant setting aside special hours for an emergency debate in this House, it is a situation that can change on a daily basis.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed, from Tuesday, July 22, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole; and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. Cecil Smith (Churchill): Mr. Speaker, in concluding my remarks that I started last evening there are several important points to add to what I said during the first two minutes of my speech. I spoke of people who had to travel 500 to 700 miles to reach the main arteries of Manitoba in order to take part in recreation and so on. I failed to mention that there are others besides miners who have to do this. Although the mining industry is certainly the most important group that is hit, there are many forest workers, and workers in several other industries. These are the steelworkers from many of the northern communities in Manitoba who, as I said last night, are the backbone of this country. They are the ones who keep northern Manitoba going.

With regard to the ten cents a gallon excise tax, there are some in this House, including the Minister of Finance (Mr. Turner), who fail to realize what a gallon of gas costs in some parts of northern Canada. I stated at one time that in many northern communities a gallon of gas costs in excess of $2 a gallon. I now have the proof. In Shamattawa at the present time the price of gas is $2.25 a gallon. This community is made up mostly of trappers, fishermen, and hunters who harvest the resources for their livelihood. It is little comfort for me to know that the ten cents a gallon increase is going to affect people such as this. But as we read further into the bill, we see that they will be exempt. These people will be able to apply for a refund on the very, very simple form the government will issue. If it is a simple form, it will certainly meet their character.

Many isolated northern communities do not have a regular mail service, television or telephones. They do not receive newspapers on a regular basis. They must depend on Information Canada. That is like trying to depend on the weather because Information Canada certainly does not cover all parts of Canada. It may be unpopular in this area, but it certainly is not in the isolated parts of Canada.

I can see the trappers, fishermen and hunters in these isolated communities not making an application because they will not understand the form. I understand that it will be printed in French and English. Most of those who live in these remote communities speak, write, and understand Cree. I am sure they do not understand French. Presumably they will be able to find someone who will read the English portion to them.

Certain communities should be exempt from this ten cents a gallon excise tax for the simple reason they will receive a refund of every cent they spend on gasoline.

The refund will become part of the taxable income. The same problem was encountered with family allowances. The people in these remote communities had no knowledge of the fact that family allowances were to be a part of their income. The refunds of this gas tax will also form a part of their income. These people just cannot believe what has happened. They ask why the government gives them something, does not tell them about it, and then at the end of the year asks for some of the money back. Many of those who live in these isolated communities live almost below the poverty line. They do not have the money to make the payments back to the taxation department.

I question whether the government has the authority to collect this excise tax on Indian reserves. At the present time treaty Indians working on reserves do not pay income tax. Does the Excise Tax Act supersede the Income Tax Act? I tried to get this point clarified through the department in the last couple of days, but I was not successful. No one could tell me whether these people would have to pay or be exempt from this ridiculous gasoline tax.

This figure of $2.25 a gallon is the price for gas that was received last winter delivered over winter roads. When the new supplies of gas are received, the price will be $2.35 or $2.40 a gallon. I suppose once you start paying over $2 a gallon for gas it really does not matter if you add a nickel here or there. The people who are going to suffer are the consumers in northern Canada.

I now wish to deal with the additional tax that has been imposed on air travel. There are at least 25 communities in the Churchill constituency which have no other means of communication or transportation than by air. There are no roads or railways. Here again an additional tax is being imposed on these people even though they have no alternative but to travel by aircraft.

In addition, the Minister of Transport (Mr. Marchand) saw fit to close many northern airstrips. This has also imposed an additional burden on these people. The province of Manitoba agreed to cost share on a 50/50 basis an arrangement with the federal government in order to bring airstrips in northern Manitoba up to the national standard. I have asked the minister when action will be taken, or if in fact he will meet this cost sharing arrangement with the provinces. I have asked him to show some leadership by bringing remote airstrips back into operation so these people can use a facility that is there.

I hope the money that is being collected through this additional air transportation tax will be used as the federal government's share to bring the airstrips up to the standard that is required by the Department of Transport.

[Mr. Smith (Churchill).]

This government is not considering the people of this country. In our part of the country the burden the minister has placed on the public shows he does not believe that people come first. I know this is an old line which the NDP coined during the election campaign when they said people came first. In the Conservative Party we had no need to publicize that belief because the people always come first with the Conservative Party.

Some hon. Members: Oh!

Mr. Smith (Churchill): On July 18 there was a press release from the Prime Minister's office to the effect that Canada and Manitoba were joining hands in an agreement to co-operate closely in informing citizens about programs which involve both levels of government. That was tremendous. That was really a step forward. However, on July 23 we read in the *Globe and Mail* that as the Prime Minister (Mr. Trudeau) was standing talking to the premier face to face, the Minister of Indian Affairs and Northern Development (Mr. Buchanan) was standing at his back with a knife saying, "Now that you have not supplied us with the information we are practically going to take action to put you in jail, or serve an injunction against the provincial government".

I was glad to see the Minister of Indian Affairs take this action. It is about time he stood up on behalf of the people he represents because I do not think he has represented the people who will be affected by the diversion of the Churchill River and by other hydro schemes in Manitoba.

As I look through Bill C-66 I am dismayed at its total irrelevancy to anything in northern Manitoba. All the bill does is impose a further burden on the people of the north. They cannot even travel by aircraft now because of the additional cost. They cannot afford to go on holiday.

We try to encourage people to come to the north to work in our mines and foster development, but as things are now we cannot even encourage them to come up there because the cost of living is becoming prohibitive. Yet if it were not for the northern part of Canada the rest of the country would be starving right now because 70 per cent of our product goes to the eastern part of the country so it can survive. For these reasons I think many of the clauses we are considering, especially the ten cents a gallon tax, should be struck from the bill. I certainly support the amendment moved by my leader to hoist the measure for six months. In fact, I should like to see it hoisted for ever.

I would mention one other thing. When it comes to the cost of heating homes may I say that we are heating them for nine or ten months of the year. When the effect of the increase in the price of heating fuel is felt people will be leaving the north in hordes. If members think the rate of unemployment is high now, wait until this bill becomes a reality, and people are not receiving their rebates. The unemployment rate in Manitoba will be a lot higher than it is at the present time, I can tell you.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have followed very closely and with great interest the current debate on Bill C-66 whose main purpose is to raise the excise tax on gasoline by ten cents. However, Mr. Speaker, you can rest assured that the House is not the only one to

witness the sometimes heated discussions on the subject, because the criticisms of the people are really harsh and comments are getting violent.

It can be said that because of the bill the Liberals' star is setting fast. As a matter of fact, I had warned the Minister of Finance (Mr. Turner) when he presented his last budget that the gas price increase would be a bad measure in every respect. It is the most negative measure in his budget and it leads one to conclude, and everyone is saying so, that there will be no election this year. Anyone who cares to examine the bill and the consequences its implementation will have must really look hard to find out who might benefit from it.

No one, or almost no one, will benefit from the positive windfalls resulting from this bill, while on the other hand the most favoured will be inflation which will continue to increase. In my remarks on the budget speech I deplored and I still deplore today the fact that those who are hardest hit by this impossible legislation are once more the workers, the labourers and the farmers. Besides, the Canadian Chamber of Commerce has also expressed the opinion that the great loser in this matter will be the average citizen who has very little means to try to reconquer his self-sufficiency. This means that is purchasing power is directly affected once more, without his being able to salvage anything from this important financial loss that he cannot avoid.

● (1530)

But an inevitable fact will happen if the government so continues to strangle the Canadian workers who are the basis of the economic pyramid of our present financial system. Indeed, if they are not allowed to adjust themselves and face the difficulties we encounter, the situation could crack on all sides and further worsen the economic problems Canada is now faced with.

Last week, here in Ottawa, the Food Prices Review Board published the report of a study made from January 1973 to April 1975, and the results make us think a lot since they directly affect the average citizen, and especially low income families. For that period, the price of bread increased by 51 per cent and the price of fresh milk by 54 per cent, while the consumer's price index for general food consumed at home went up by 35 per cent.

These facts are really meaningful, and if the 10 cents increase on gasoline is added, it becomes in every aspects a practical nonsense.

Last Wednesday, the hon. member for Nickel Belt (Mr. Rodriguez) gave us a very good account of the painful situation of workers in his area who must drive several miles every day to go to work. Here is what he said:

> The minister now comes along and slaps these people down with this ten cent per gallon tax. Even if they form pools, and they do, they cannot claim the fuel expense including this excise tax. They must use their cars or vehicles to get to and from their work, in much the same way as a doctor uses his car in the pursuit of his profession. There is no difference in the use of the vehicle, but the doctor is able to write off this tax.

He can have a rebate for this tax, whereas the worker cannot.

I want indeed to point out that this situation where workers absolutely have to drive to work is the same almost everywhere in Canada. In reality, only the cities of some importance can provide a choice in means of transportation to go to work. In my area, in the constituency of Richmond, we have the same situation. Many workers have to drive to work in the plants of Richmond, Windsor, Brampton, Sherbrooke, Valcourt, Disraeli, Weedon and other places. There as elsewhere our workers are affected by this tax.

There is also another class of loosers, and these are the farmers. Indeed, the president of the Canadian Federation of Agriculture strongly criticized the last federal budget and pointed out the adverse effects of the increase in the price of gas. He clearly indicated that, on the one hand, although the budget provides an exemption for farmers, they will feel the increase in prices this coming August and, on the other hand, the prices of many oil by-products necessary in agriculture will automatically jump once again. This means that they too will feel the pinch of that increase and that will inevitably lead to a rise in the costs of food products. It is a vicious circle, and the government is currently maintaining the inflationary thrust by measures as irrational and detrimental as those contained in Bill C-66.

However, the government would like very much to let someone else carry the odiousness of such an unpopular measure but it might be a lot more difficult to do this time. Indeed, oil companies also reacted. Everybody is stepping in to lay their cards on the table, which might upset the strategy of the government and actually clarify the situation. For example, the Canadian Chamber of Commerce stepped in to say that those price increases for petroleum products benefit federal and provincial governments but not oil companies. Mr. B. T. Johnson, Chairman of the Executive Committee of the Chamber, stated the following:

> Unless producing provinces reduce their royalty rates the amount of $1.50 will continue to be taken entirely by the federal and provincial governments till December 31, 1975, and afterwards the government will receive about $1.25 or 83 cents."

● (1540)

Those statements are quite interesting and help in understanding the entire problem. Moreover, Gulf Oil Canada Ltd. President Jerry McAfee has stated that the federal budget does not take into account the real causes of the difficulties now experienced by the oil industry and that the governments will pocket almost all those price increases. Mr. McAfee went on to say and I quote:

> Whatever explanation is given by the government, the main thing is that the public must understand that oil companies which need funds for exploration will not have any of those funds collected through the levy of a new excise tax of 10 cents per gallon of gas and the increase of $1.50 per barrel of oil.
>
> They have taken everything! Two thirds of the increase in the price of crude oil will go to the producing provinces and the other third will go to Ottawa; the federal government will of course keep all the revenue from the excise tax, probably to maintain throughout Canada a uniform price for crude petroleum, even in the areas which import oil at the highest cost.
>
> The excise tax may contribute to reduce consumption, but the sad fact is that Canada cannot conserve enough to ensure sufficient supplies for the future. This objective can only be met through an energetic prospection program. It is unfortunate that the government is trying to create the illusion that this budget will promote prospection when, in fact, only about $40 million will go to the industry. At current price

levels, this sum is barely sufficient for sinking a well in the Beaufort Sea.

It is also unfortunate that the government is attempting to mislead the public by suggesting that the industry is to blame for these increases, but I do not believe that this will work this time.

In my opinion, Mr. Speaker, these statements are very clear and put the problem in its true context. There is also a very important point that I would like to emphasize in the comment of Mr. McAfee and it concerns our need to establish an energetic prospection program. This goes along with the motion proposed recently in the House by my colleague, the hon. member for Champlain (Mr. Matte). His motion, proposed under the terms of Standing Order 43, asked that a complete inventory report of all our resources in this field be given to the House so that we may truly know what are our supplies, our potential and our capacities for producing oil.

In passing, I congratulate my colleague for his motion as it contains a truly serious element to solve our present and future problems as concerns oil. This was a very appropriate and positive proposal, but the government preferred to ignore it and to put forward measures which, instead, are going to boost inflation. That increase in gas price will immediately result in a 2 per cent rise in the cost of living. That is an economic blunder. Further, the Shah of Iran, in a press conference in Mexico recently, indicated that the oil producing nations were firmly decided to hike their prices by 35 per cent, which will play a decisive role against consumers and will result in yet another increase in the cost of living index.

The least we can say in view of such a situation and given the blunders of the government is that the many people who are expressing concern are not altogether wrong. The government's administration goes against common sense. On the one hand, they have no qualms about considerably reducing the margin of movement of business, on the other hand, they attack the worker by limiting his purchasing power seriously.

Just as we have unleaded gas, so have we unleaded officials and governments. If private enterprises acted the way the government is now doing, it would not take long for them to go bankrupt. If the Liberal party does not change its attitude, it will soon lead the country to state socialism, for the worker will get tired of working for nothing because the cost he will have to pay to go to work will be higher than what he will bring back home to feed his children. It is obvious that I cannot support Bill C-66 and that I must vote against this increase in gas prices, because that measure is simply unacceptable and will have no other effect than to fuel inflation and affect the Canadian worker.

[*English*]

Mr. Leonard C. Jones (Moncton): Mr. Speaker, of all the bills presented to parliament by any government for many years, this bill, Bill C-66 to amend the Excise Tax Act, as reprinted, has generated more heat, caused the loss of more energy, and more hate and distrust of government, than any other bill ever presented. The people of this nation are mad, their mood ugly. They are bitter.

Mr. Béchard: I did not receive one letter or beef.

[Mr. Beaudoin.]

Mr. Jones: Then you should use the Canada post. If one studies the bill and thinks about the alleged reasons or excuses for it, one will readily find that the bill is inconsistent per se. It is plain ridiculous and senseless. It is the type of legislation, however, that one could expect from a government which has full, arbitrary control, a so-called majority government, but a regime that is lacking in foresight and leadership and the common sense to take steps now which would alleviate the problems and issues which it has permitted to multiply, such as unemployment, inflation, housing, and all the other crises in our nation.

Some hon. members who have spoken on this bill have implied that this may be the last budget of the present Minister of Finance (Mr. Turner). I could not care less about the future political career of the Minister of Finance, but I do care about the future of this nation and our citizens. I could not care less whether we call this bill the "Turner Cop-out", the "Turner Turn-out", or the "Turner Turnover". To me it is like a plain tart without any filling. It is dry, tasteless, hard to swallow, too flaky, and it is sickening and stifling.

An hon. Member: Would the hon. member permit a question?

Mr. Jones: The hon. member can ask a question at the end of my remarks; in the meantime I would ask him to keep quiet since under the rules I have the floor.

This bill purports to do four things. First, it purports to remove the excise tax on certain items, such as insulation materials, which should have been done years ago. Second, it increases the air transportation tax. There is no indication as to how this money will be spent. Will it be used to benefit the users of airport facilities across the country, or only the major facilities? Third, it purports to reduce the excise tax on certain wines, and fourth, it imposes an excise tax of ten cents per gallon on gasoline.

● (1550)

The Minister of Finance says that the purposes of this excessive and exorbitant inflationary gasoline tax are to conserve gasoline, to provide added revenue, and there is some indication that it is to enable the country to stay on a one price system. All these alleged excuses or reasons for the introduction of this ten cents excise tax are invalid and inconsistent. If it were a conservation method, it would not have that much effect. The large users are the commercial users, and they will receive a rebate.

The Minister of National Revenue (Mr. Basford) yesterday went on and on with a long list of persons and corporations which would be exempt. He told us it is estimated that the annual take on this tax by the government—and I presume that is the estimated gross take—is to be about $350 million in 1975 and half a billion dollars in 1976, but neither the Minister of National Revenue nor the Minister of Finance, nor anyone else, told us just how much will be refunded. We are entitled to know just how much is the net tax to be collected after the administration and collection costs, and after the refunds. It occurred to me, as I listened to the debate and heard some of the ministers, that with typical government and bureaucratic red tape and bungling, and continual empire building, the

final result might be that more money will be refunded than collected. Yes, it could happen very well with our present government and its administration.

The alleged reasons or excuses for this bill do not add up. They are inconsistent and illogical. This has been said several times before, and it is true. The fact that the bill was imperfect and had to be reprinted at the beginning should have been a warning and an omen to the Minister of Finance that this "10 center" on gasoline was wrong and imperfect *ab initio*. It was imperfect from the beginning, and it is still imperfect. It just will not work. It will be a hard and unethical method by which to collect taxes.

Who in reality will pay the tax, and who in reality will get the refund? For the most part the taxpayer will be the ordinary Canadian, the fellow who just cannot afford it, the ordinary worker, the pensioner, the agent, the senior citizen, and all those who do not have the money and who do not put a great number of miles on their cars but who, for one reason or another, absolutely require a motor vehicle for various purposes, such as to go to their place of work, to go to the doctor, to go to the hospital, to pick up groceries, and so on.

I suggest that if the government were in need of $350 million added revenue it should have directed its attention to saving money directly and forthwith, as I suggested a few weeks ago and as reported in *Hansard*. I will repeat what I said then:

> One, eliminate the existing system and policy of implementing bilingualism in the public service, halt language training, close down the office of the Commissioner of Official Languages and cut down all allied programs and projects—
>
> Two, eliminate Information Canada. Three, eliminate CIDA management, some of its programs and globe-trotting. Four, reduce payments to the CBC, the National Film Board and other such groups. Five, reduce the Prime Minister's staff and expenses by at least 60 per cent. Six, reduce and/or cut out duplication, waste, overspending and inefficiencies in departments and agencies of the federal government in Ottawa which hold up capital projects across the nation. The empire building in Ottawa begins in the Prime Minister's own bureaucracy and goes right through the entire bureaucratic system.
>
> Seven, reduce expensive and costly studies, studies of studies, consultants' fees and the substantial number of professionals and economists in various government departments. Eight, halt conversion to the metric system. Nine, eliminate the costly, expensive and luxurious lounge for MPs and senators in Ottawa and make more productive use of this space. Ten, repeal legislation requiring bilingual labelling, particularly for imports and exports . . . Eleven, eliminate federal sales tax on Canadian goods, which causes our goods to be non-competitive nationally and internationally. Twelve, reduce the tentacles of that octopus, government bureaucracy and red tape, occupying so much office space. It is disturbing to see how much money is spent on this in the Ottawa area. I just hate to see Ottawa going to Hull.

I regret that move very much.

The minister and his colleagues have heard all the speeches and arguments against this excise tax, this "10 center". Surely the minister must now realize that the members of the opposition cannot in all good conscience afford a measure of this kind. Surely the minister must realize that even members on his own side in all good conscience cannot go back to their constituencies and say to their constituents that they supported this bill conscientiously. This "10 center" is unfair, unreasonable, and iniquitous. It will create untold hardships for all Canadians.

I would have thought that the Minister of Finance would have made some reference to assistance for mass transit. Of course that was another Liberal gimmick and window dressing during the 1974 election campaign. In all honesty and sincerity I would like to appeal to the Prime Minister's sense of fair play and to the sense of fair play of the Minister of Finance and his colleagues, that having heard the pros and cons of the bill they take action immediately to withdraw the ten cents provision from this bill, or at least to support the amendment, and in the intervening six months give further consideration and review to the entire financial picture.

I want to be fair to the minister but I must say that if this piece of legislation is enacted it will go down in history as a terrible blot on the image of this parliament.

Mr. Anderson: Mr. Speaker, I rise on a point of order. May I ask the hon. member a question?

Mr. Jones: You may ask a question but you might not get an answer.

Mr. Anderson: I agree that I might not get an answer; however, the hon. member did say during his speech that he would allow a question. Does the hon. member not realize that the ten cents excise tax is to subsidize the gas consumed by constituents and consumers east of the Ottawa Valley? I approve of the Turner budget—

Some hon. Members: Order.

Mr. Anderson: —because he did make Canada into one nation in dealing with the question.

Some hon. Members: Oh, oh!

Mr. Alexander: What kind of nonsense is this?

Mr. Jones: Mr. Speaker, I will answer that question. The allegation of the questioner was just an argument for the presentation of the "10 center". It was not really a proof. The government is taking too much from the taxpayers now. That is what I alleged in my talk today. There are other ways in which the government could have saved money, but it is too bullheaded to do it.

Mr. Roger Young (Niagara Falls): Mr. Speaker, I am very proud to be recognized and to participate in this debate today. For the past year I have been very proud to be a member of the House, and I am happy to say that I am a firm supporter of the government as well.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Young: Perhaps some of the yahoos could give a few minutes to someone speaking from this side.

May I diverge for a brief second, Mr. Speaker, to say that one of the things that makes me very proud of this institution and of the fact that I am a small part of it is the ceremony which takes place on the front lawns of parliament and the streets of Ottawa leading up to Parliament Hill every morning. I am referring to the changing of the guard. As I happened to be coming here a little later than usual this morning, I watched some of the ceremony and I

felt justly proud of this place, of this institution, and of the fine work that is done by the young men who participate.

Mr. Baldwin: You should have stayed there and not gone to caucus.

Mr. Young: I am happy to speak in support of Bill C-66. I have not spoken many times this year, perhaps four or five times only, and the record will show that I have participated much more in the work of committees than in the work of the House.

● (1600)

There are those who work to seek headlines, and those who work to get a job done. There are some members opposite who often speak in public. If one looks rather closely at what they have to say I think one would find that in all the huffing and puffing that comes out there is more puff than huff. In the past three weeks there has been much blowing of hot gaseous vapours but not a great deal of substance.

Members opposite have been quite fond of pointing to the lack of speakers from the government side. They are fond of making extravagant claims concerning the changes they have forced the government to make. They are fond of criticizing, but are not very able when it comes to suggesting what they would do. Their criticisms have been mostly destructive and far from constructive. They have suggested that spending should be cut but they have been unable to suggest where, how, and in what programs. They have been critical of the excise tax on gasoline, but they have been unwilling to admit that their measures would force the equivalent revenue to be raised through general taxation.

Under the system we have proposed the user would pay, while under general taxation the non-user would also pay. Why should we penalize the Canadian who does not own a car? Why should we penalize the senior citizen who does not use a car to get around, and whose budget already is too tight?

Miss MacDonald: Tell that to the Minister of Finance.

Mr. Young: There are those who talk a pretty good game from the opposition benches but whose action is different. We have heard a lot of hollow and empty rhetoric from members opposite. Their rhetoric has been hollow and shallow even to the point of braggadocio. We have heard pretty extravagant claims from members opposite. We have heard Tory members claim that they put forward a united stand in opposition to the budget bills, filibustering and dragging things out day after day. What they are trying to do is nothing more than establish an election issue for Bill Davis on which to go to the people of this province this fall. They will not succeed because the people of Ontario will not be fooled when they realize who is to blame when they cannot get their rebate cheques.

Some hon. Members: Oh, oh!

An hon. Member: Who put on the tax in the first place?

Mr. Young: It is hurting, is it, fellows?

[Mr. Young.]

An hon. Member: Not at all.

Mr. Young: The budget bills will be passed and the people of this province will know just who caused them to wait, however long it is. There will be many farmers, fishermen, and commercial people who will not look too favourably on the big blue Davis machine when they find out that the cohorts of the premier in Ottawa caused the delay in respect of the rebate cheques. There will be many people in eastern Ontario who will be pretty upset at Mr. Davis when they find just how his bally-hoo and phoofe-raw about a freeze means that there may be no gas at the pumps in this area of the country come another month or so.

Many auto workers will not be too happy when they find that the dropping of the sales tax on domestic cars really only results in the export of work to the United States. They will remember. There will be many others who will see through the rhetoric and the bombast, because when the inanities and platitudes have faded away they will find that, behind those clouds of hot gases we have suffered through for the past few weeks, there is no substance.

There have been great claims in respect of unification of the opposition in its stand on these budget bills. I suggest there is no unity and that there is not much of a stand. We had an example last Thursday when the hon. member for Okanagan-Boundary (Mr. Whittaker) commended the Minister of Finance (Mr. Turner) for removing the excise tax on wines which had been imposed last November. Those of us here who come from the Niagara Peninsula and who have a fairly intimate knowledge of the domestic grape and wine industry, support the hon. member for Okanagan-Boundary in his commendation of the minister. However, yesterday we heard the hon. member for Moose Jaw (Mr. Neil) take issue with and castigate the minister for this.

Yesterday we also heard the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) ridicule this change in respect of assistance to the grape and wine industry. We witnessed the same division of opinion in respect of other members of the opposition party. Some members commended the minister and others criticized him.

Last Thursday the hon. member for Okanagan-Boundary, in commending the minister, made the rather exaggerated claim that he almost single-handedly brought about the change in the excise tax provisions in respect of the wine industry. He suggested that at the very least it was as a result of the work done by his party. I should like to quote the hon. member as recorded at page 7670 of *Hansard* for July 17:

> I would first like to commend the minister for taking the excise tax off wine which he put on just a few months earlier in his previous budget. At that time we in the opposition pleaded with him and tried to obtain help from the government side of the House, but none was forthcoming.

It would seem to me that the hon. member does not have too much support from within his party—if one looks at the remarks of the hon. member for Moose Jaw or the hon. member for Lanark-Renfrew-Carleton. It seems to me that, for all that pleading which his party is supposed to have done, there are quite a few yahoos surrounding him who would rather not have that change. One wonders for

what purpose an hon. member would make such a speech. Perhaps he would do so to create his own limelight so that he might step forward and take a bow. One who has to heap the kudos upon his own shoulders becomes suspect. One begins to suspect all that has been claimed might not in fact have been done.

While such grand eloquence and posturing might look good in the eyes of one's constituents back home, and while such statements might find some use in outlining the heroic gesture in the gallant struggle on behalf of one's constituents, I think a reasonable man would be put on guard that it might be worthwhile to check the facts. If the hon. member is thinking of sending word of his actions back home, I wonder if he will also have the courage to forward a few copies of the remarks of his colleagues, the hon. member for Moose Jaw and the hon. member for Lanark-Renfrew-Carleton, who in their remarks have castigated the changes he says he fought so hard to obtain.

I am sure the grape growers and winemakers of his region will be pleased to learn of the non-support of their cause as demonstrated by other members of his party. I might just remind all hon. members who would make light of these changes of the far-reaching effects they have for the grape and wine industry. The grape and wine industry in Canada represents a capital investment of roughly $130 million in our economy. In the producing part of the season employment amounts to 4,000 jobs across the country. Grape crops amount to a cash flow of some $15 million into the incomes of some 1,200 growers. Additionally the wineries spend some $36 million on grapes, glass, hardware, paper, sugar, and other commodities which are used in the making of wines.

● (1610)

Hon. members opposite who are so glib about criticizing and ridiculing the efforts of the domestic grape and wine industry, and knocking the measures granted by the Minister of Finance in support of them, might do well to look around at the economies of their own ridings.

Mr. Lambert (Edmonton West): What did he do in November?

Mr. Young: I will get to that. Those hon. members might just take a look and see whether they have some of these supportive industries in their own ridings, because it might make a big difference to some of their comments.

Mr. Lambert (Edmonton West): Did you ever ask Air Canada to sell Canadian wines?

Mr. Young: I can assure hon. members opposite that the 1,200 grape growers in Ontario will not be too happy when they hear of the comments of hon. members opposite in relation to the reduction of the tax.

Likewise I can assure hon. members in the NDP that while it is rather strange that many of them can profess so much support for Caesar Chavez and the grapegrowers of California, they have trouble supporting the members of the industry back home, 4,000 employees in the domestic wine industry. They cannot find too many votes in Canada to count on, but they can have every one they can get from the San Fernando Valley.

I said that I was astounded, and hon. members opposite asked "what about last November?" I said I was astounded at the rather extravagant claims of the hon. member for Okanagan Boundary. I will not quote him completely, but he said that they looked for support from the government side of the House and none was forthcoming. I think the hon. member is a little mistaken. It might be more true if I or one of my colleagues from the Niagara Peninsula made the same comment in reverse. The hon. member for Okanagan Boundary spoke a couple of times on the budget and on the excise bills last year. There are two references in *Hansard* to his speaking on the wine industry. One takes half a page in three pages of other content on firefighting equipment, municipalities, and boats.

I do not knock the comments and contributions of the hon. member. I invite them. I have an interest in doing what I can to help the grape and wine industry too, but when the hon. member starts taking credit for his party and for himself for their singlehanded accomplishment in again having this tax reduced, I think that is going just a bit too far.

Mr. Lambert (Edmonton West): You voted for it. We voted against it.

Mr. Young: There is another reference by the hon. member on page 2673 and 2674 of *Hansard* to an article in the "Ontario Grape Grower," suggesting that hon. members on this side of the House ought to have read it more closely. If the hon. member for Okanagan Boundary had himself read the article more closely he would have seen that it says that the local grape and wine industry went first to the Niagara Peninsula members of parliament to explain their problems. I might suggest to him that if he thinks we should look closely at that, he might look more closely at a followup article in the issue of June/July 1975 of the "Ontario Grape Grower."

In an article on the fourth page entitled "Government Rescinds Excise Tax Increase" the actions taken by the Minister of Finance are discussed. I wish to quote part of that article as follows:

> Mr. Turner's change of mind was the second concern toward the Canadian grape and wine industry. Earlier, Consumer Affairs Minister André Ouellet announced that his department would not go ahead with proposed labelling legislation which would have adversely affected the industry.
>
> In both cases, the federal decisions followed strong representation by both the Ontario Grape Growers' Marketing Board and by the Canadian Wine Institute. Also lending valuable support to the industry's cause were Niagara Members of Parliament Bill Andres of Lincoln, Roger Young of Niagara Falls, Gilbert Parent of St. Catharines and Dr. Victor Railton of Welland.

Some hon. Members: Hear, hear!

Mr. Young: I will quote from another article in the St. Catharines *Standard* with regard to the actions of the Niagara members of parliament in support of the Canadian grape and wine industry as follows:

> In Ottawa, the side of the wineries has been taken up by Niagara's three rookie MPs, Roger Young of Niagara Falls, Gilbert Parent of St. Catharines and William Andres of Lincoln.

I should read into the record a letter from the secretary manager of the Ontario Grape Growers' Marketing Board. This is a letter addressed to my colleague, the hon.

member for Lincoln (Mr. Andres). If there is one man in this House who can take credit for having the excise tax provisions changed in favour of the domestic grape and wine industry, it is the hon. member for Lincoln and really no one else, because he is the one who did all the work, and he is far too modest to go out and grab headlines.

Mr. Lambert (Edmonton West): Where was he in October?

Mr. Young: I think I should just read this for hon. members opposite. It says:

> Dear Bill: I have been reading over our April issue of the "Ontario Grape Grower", and I can see that we owe you and our other Niagara Peninsula members of parliament a big apology—not for something we said, but for something we sadly neglected to say.
>
> In a front-page item "Government lifts threat on labelling", we reported on the decision of the Consumer Affairs Minister not to proceed with the proposed appellations of origin regulations. In the article, we quickly pointed out that the Marketing Board opposed the regulations from the beginning, and that support was lent to this stand by the Canadian Wine Institute, several Niagara Regional municipalities, chambers of commerce and other organizations.
>
> What we did not say—and I would like to assure you, Bill, that it was an oversight and not a deliberate omission—was that our local members, yourself included, played a major part in the successful opposition to the regulations by lending your strong support to our cause. I do want you to know that we do appreciate the important work you have done for us in this and other areas of concern.
>
> I would like to express my personal apologies for the fact that we neglected to mention your work in the "Grape Grower" article. We will be carrying a follow-up article in the upcoming issue, giving credit where credit is due.

The letter is signed by Keith Matthie, secretary manager, Ontario Grape Growers' Marketing Board.

Mr. Lambert (Edmonton West): Send him a copy of your speech.

Mr. Young: I have on my desk and in my office files which are now about twelve inches thick on the grape and wine industry, with some similar letters in them. I do not intend to read all of them into the record, but I think that for the purposes of putting the record straight some of the comments which were made should be included. I just might mention some of them without trying to be too immodest. I have a letter from Andrés Wines Ltd., which has no connection with the hon. member for Lincoln, even though the name is spelled the same. It reads:

> We at Andrés Wines and the other members of the Canadian grape and wine industry greatly appreciate your continued fine efforts on our behalf. As your constituents in Lincoln, we are especially pleased with the concern and leadership which you have shown in this issue.

There are several letters addressed to myself one from Andrés Wines, one from the president of Brights Wines, one from the president of Chateau-Gai, one from the president of the Canadian Wine Institute, and one from the secretary of the Ontario Grape Growers' Marketing Board. All of these say the same thing. They all say that they thank us and appreciate the concern and leadership which has been shown by us. They do not just come to myself or to my colleague, the hon. member for Lincoln individually. They come to many hon. members from the Niagara Peninsula and others throughout the caucus on this side of the House who have shown such great support.

The industry is thankful that some of this work is being done on its behalf in this country.

Mr. Symes: How did you vote in the November budget?

Mr. Young: I will make some closing remarks. I hope for the benefit of some of the members that I have put the record straight. There are those who ask what I did in November. I know what I did in November. What did hon. members opposite do? I will tell them what they did not do in October and November.

In October and November when the industry wanted to get in touch with the government, they came here looking for members of parliament to talk to at that time. We were asking for, looking for, and welcoming any help there might have been from the other side of the House, but when the members who were concerned showed up in my office I did not see any of the hon. members opposite. When we went to see the officials of the Department of Finance I did not see any of the hon. members opposite.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Who did you invite?

Mr. Peters: Only Liberals.

Mr. Young: When we had meetings when we asked for support from over there, and when we asked who in the opposition parties had wineries and graperies in their constituencies and who would be interested in helping us fight the cause, there was nothing forthcoming. We got a little bit of a play and some headline grabbing in the House, but I repeat that there are those who come to do some work and those who come to get headlines.

● (1620)

In closing, Mr. Speaker, I might say on behalf of those of us who have attempted to do some work for the grape and wine industry, especially my colleagues in the Niagara Peninsula, that having been here for just one year and accomplishing a couple of things like having the government change its policy, we feel rather proud of what has been done by three rookie members of parliament.

Mr. Baldwin: All modest.

Mr. Young: Perhaps it seems a little bit immodest to the hon. member for Peace River (Mr. Baldwin), but when one has the letters that I read into the record it is not necessary to go back and tell one's constituents and members of the industry what has been done. They know, Mr. Speaker. The only reason I read the letters was because the issue was raised in a braggadocio manner with the hon. member on the other side claiming all the credit. I have done no more than set the record straight.

Hon. members from the Niagara region have had some feeling of accomplishment, rather like an artist, a labourer or a writer who having put something together, feels some pride. They want to look at what has been done and perhaps ask themselves if they could have done more or if they have done all they can. It may be that having closed our eyes for a moment we looked up again to find that before the cement has dried, before the paint has set or the ink has dried on the page, a plagiarist had come in and

signed his name on the bottom corner. Not only do we feel a little plagiarized collectively, we feel somewhat that we have been burgled.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, for some time I have read a column on wine in the Ottawa *Journal*, by Dillon O'Leary, so I was interested that in the budget the price of some wines—which had been raised in the November budget—was now reduced. In the budget brought in by Darcy McKeough in the province of Ontario it was indicated that the federal excise tax would be reduced. The increase in November was about 20 cents per bottle and Ontario is going to reduce it by 15 cents, leaving a net profit of five cents. I am surprised that Dillon O'Leary, and now the federal Minister of Finance (Mr. Turner), and the provincial treasurer find themselves enthralled with the subject of wine. Some members have become interested in it too, from a partisan position.

I would warn the hon. member who resumed his seat not to be too modest the next time he wants some assistance in the Niagara Peninsula. I have made a number of speeches in this House on grapes and cherries and other products grown in his area, when nobody else seemed to be interested. Although we do not grow grape crops in northern Ontario I have two or three vines that I have been nursing for seven or eight years—I think they lose ground every year. Certainly they are not going to be any competition for the Niagara Peninsula for many years to come.

There is a widespread interest in wine throughout the country, and the hon. member might find support if he asks for it. He has the misfortune to belong to a majority party, and even though it hurt his area he had to vote for that increase last year.

Along with a number of other people, including a strong winegrowers' association in Ontario, he has been able to convince the minister that to cut down the consumption does not necessarily mean more revenue by increasing the tax. I am sure if the hon. member seeks support he will get it from people not directly involved in the industry to any large degree—the consumption and/or the production. Through improved methods grapes have been developed that now produce a good type of wine.

As one hon. member suggested, perhaps we should persuade the Canadian airlines to serve Canadian wine. I think they compare favourably with many other table wines of the world.

The fact that some people do not grow grapes cannot be construed as a sign that they are not interested in the industry. Unfortunately the only place in Canada where we can grow grapes successfully is the Niagara Peninsula.

Bill C-66 introduced a ten cents per gallon excise tax on gasoline for the individual automobile user. Your Honour knows as well as I, because we both come from northern Ontario where distances are great, that we have had a great deal of difficulty convincing people that cars are no longer a luxury there, and that even those on welfare should be allowed a few dollars for gasoline because there is absolutely no other means of transport in those vast areas that we represent. Torontonians particularly always seemed to have the idea that people who draw welfare should not spend money on gasoline.

Mr. Brewin: Who said this?

Mr. Peters: For many years this was an accepted view. Recipients of Ontario welfare had to put the car on jacks, had to remove the licence plates and turn them in as long as they received benefits. As the years went by it was conceded that one out of five persons on welfare in a community should have a car so that they could get together to go for groceries. It was a very Torontonian attitude toward the difficulties experienced in other parts of Canada. The automobile is not a luxury in my area.

● (1630)

Most of us drive automobiles which are too large. Twenty years ago engines ranged between 65 and 80 horsepower. I am sure that if you restored a six-cylinder, 65 horsepower Chev, it could take you adequately up any hill in eastern Canada and serve quite well on our modern highways.

The Ontario government has embarked on a course which will bring it into collision with the federal government. Unfortunately this collision course will not help to solve any of the province's problems. Darcy McKeough, tongue in cheek, brought in a mini budget which removed the 5 per cent sales tax on North American cars. I point out there are few small North American cars. Most small cars come from Japan, Italy, France, Sweden, England or Germany. The Mercedes, the large Citroen, and one or two other large cars are exceptions; otherwise, those countries manufacture only small cars. There are few American cars of comparable size.

As the most efficient engines burn 14.7 parts of air to one part of gasoline, it is clear that the large the engine is the more gasoline it will burn. For the next ten years this country will face gasoline shortages. Obviously we should be demanding small automobile engines, not the sort of large engines which come with United States imports. Even the Chevrolet, one of the smaller American cars, comes with an engine of 450 horsepower. The Cadillac's engine develops 450 horsepower or over. If you want to save energy you should encourage the importation of cars with smaller engines. Otherwise the ten cents tax on gasoline is really nothing but a revenue raiser for the federal government. We shall not save oil if we encourage the importation of large cars which burn a great deal of gasoline.

Considering the prospect of future shortages of gasoline, we should adopt measures which will force people to consume less energy. Such policies have been quite successful in other countries. Personally I am offended by what Darcy McKeough did. Clearly, if speed limits were reduced to 55 miles an hour, cars would travel farther on a gallon of gasoline and we should conserve some of our precious gasoline stocks. Instead of encouraging people to buy North American gas burners which do 13 miles to the gallon, we should encourage them to buy European cars, or similar, small cars which travel 35 miles or more to the gallon. If any cars should be subsidized it should be those which consume least gasoline.

As I said, the automobile is not a luxury in northern Ontario, on the prairies, or in other areas lacking adequate public transportation. Perhaps the answer is public transportation. Although I have never studied the Toronto subway system and compared how much it costs to move

people by subway and by highway, I imagine that the subway moves more people more cheaply than the highway system does.

Some countries, particularly Russia, have never shown interest in developing an automobile industry. They have taken the other route, that of developing public transport. Countries like that move an immense number of people by public transport facilities. Examples which come to mind are Japan, Great Britain, and other countries which use modern rapid transport facilities.

Ottawa is unusual. Except for federal parking facilities, parking space is limited. The public transport system is reasonably good and some interesting but expensive innovations were tried in the suburbs. I suggest that if we are interested in establishing adequate public transport in other centres, federal and provincial cabinets should cooperate in providing subsidies for public transport wherever it is feasible. To some extent such co-operation has taken place in connection with the rapid transit Go trains of the Toronto area. The government implemented a similar policy in the Ottawa area, ass backwards.

Instead of providing STOL service between Ottawa and Montreal, the government could have provided a better service by rail which could have served more people. The STOL service is experimental but uneconomic, as few will use it, compared with the numbers who would have used surface rapid transport facilities. The government has tries various innovations in this city, because it is the largest employer in the area and very generous with tax dollars. Ottawa has not done too badly by its major employer. The government has provided, free, many major roads in the area, particularly the better ones. It has given grants in lieu of taxes, and has helped the city to develop.

What is true of Ottawa is not true of other parts of the country. I imagine that in your community, Madam Speaker, few people have access to subsidized public transportation and must drive their automobile to work. They drive because their car takes them where they want to go when they want to go, whereas public transport does not, and the same is true of 80 per cent or 90 per cent of all our areas.

If a ten cents charge is imposed on gasoline before it reaches the retail level, the price will be increased by more than ten cents. It will go up by 11, 12, or 13 cents, or by whatever mark-up the distributor normally adds to the tax. The mark-up of the distributor and the retailer will be added to the tax. When the motorist gets to the pumps, the tax will no longer be ten cents a gallon. An hon. member opposite represents an area where there is a refinery. I am sure he will agree that gasoline prices differ considerably from one community to another in his area.

● (1640)

North Bay is 100 miles south of New Liskeard, where I live, and Timmins is 135 miles north. The people in both these communities pay a lower price for gasoline than those who live in New Liskeard. In my community gasoline costs over 80 cents a gallon. In some communities it sells for up to 20 cents a gallon less.

If the minister wants to be fair he will use the newly established Petro-Canada to ensure that the price at the pump is fair to everyone. If someone must pay ten cents a gallon tax and someone further down the line must pay 20 cents, the tax will be unfair. That is what usually happens in those areas where jobs are scarce, the automobile is an absolute necessity, and long distances are travelled either for utility purposes or for transportation to and from a job.

Many people in my area travel 150 miles a day. Many people who work in the city of Toronto have to travel 80 or 90 miles per day because they cannot afford housing in Toronto. I have a son who lives in Alliston and works in Toronto. It is a 50 mile trip one way. Therefore he must travel 100 miles a day to and from his place of employment. How much must now be added to his cost of maintaining a job?

I presume the Minister of Finance will say that the reason he is putting on this tax is not for the money but to assist in conservation and to equalize the price of gasoline across Canada. However, it will not meet that purpose. It will provide money, but not equality. It is a very unfair tax. It causes more disparity and greater inequality.

Most members are very interested in the distribution and conservation of energy. They would be much happier if the recommendations made at the first minister's conference a few months ago were adopted, especially that of the premier of Saskatchewan. He recommended that there be an increase, and that the revenue be earmarked for the development of additional resources and increased productivity in the industry. He recommended that the government participate and ensure that the moneys are so invested.

Yesterday the argument was made that if the reserve dividends, taxable moneys which are held back by the companies for various reasons, were put into development, it would not be necessary to talk about socialism and the need for government to participate. For years this was true. Whenever the companies drilled four or five wells, they had a big producer and made a lot of money. They were able to write off their losses. Business was good. However, there has not been any development of any size in this country for years, with the exception of the tar sands. There has been drilling in the Arctic where there is a lot of gas. However, commercial oil production in the Arctic has been very limited. It certainly does not warrant a refinery in that area in the foreseeable future. It is doubtful whether the quantity of Arctic oil will be sufficient to play much of a role in the next 20 or 30 years.

Every tax that is applied across the board lends itself to abuses. However, when rebates are given to the self-employed, commercial enterprises, and others who consume gas in a business sense, this creates a very great inequality for those who must use their automobile, not as a luxury but as a necessity.

In many parts of northern Ontario the mines were closed. The people who lived in those communities wanted to stay there. Their families had grown up, community life was highly satisfactory, and the social capital had been paid for long ago. These people were forced to get jobs outside their communities. This involved driving long distances. In fact in Ontario laws were passed to the effect that you could not build around new mining developments, but had to live in existing communities.

In the case of the iron mine at Dane, about 20 miles from Kirkland Lake, 70 townships were frozen. No building could take place except in the city of Kirkland Lake. I have no objection to that. However, if a person has to travel 20 miles to work, and that is close, they should be allowed a rebate, not of all their expenses, but on a portion of that gasoline which can be directly attributed to transportation to and from work.

Many people in the tri-town area work in Temagami, a 60-mile trip one way, a 120 miles round trip. This involves a sizeable expenditure for these people. Why shouldn't they be allowed to write it off? If they do not own a car and if they cannot get to their jobs, they are unemployed. There is no public transport. There is no reason why part of their motoring expenses should not be written off in the same way that tax concessions are given to a businessman. These people use their cars exactly as a salesman does, that is, to get to their place of business. Surely we can devise a system whereby they can write off at least some portion of their travel expenses.

● (1650)

Since we have got into the field of subsidies, may I say that the general public across Canada does not realize we are subsidizing Quebec and the maritimes. They are not aware that a line is supposed to exist through the Ottawa Valley. They are not aware of this because it is only recently we have been subsidizing Quebec and the maritimes. Before that it was they who were getting cheap oil products—they were buying oil products offshore cheaper than we could buy them in our western areas. Today the situation is different and gasoline in Quebec and the maritimes has to be subsidized. I can recall, though, when it was cheap—and if it was not cheap then someone was hosing the people of those provinces.

The Golden Eagle Company was one of the first companies to ship in offshore oil and, incidentally, every obstacle was placed in the way of Golden Eagle putting its products on sale across the Ottawa Valley line—the Diefenbaker line. Now the shoe is on the other foot and it is the people east of the line who have to be subsidized. Sure, we want to provide eastern Canada with some kind of equality, but any method used ought to be fair to all the people. It is they who are making the payments and it seems to me the ten cents which is being charged constitutes, in the main, a retrograde step. It is a retrograde step in all cases except where pleasure is involved. And in a nation which values recreation and leisure as highly as any people in the world, even in those areas where we are using automobiles for pleasure, I believe some equality should exist, and I suggest that this ten cents tax is not fair to all our people and is not being applied equally across the board.

I would strongly recommend to all dealers in gasoline that they put a sign on their gas pumps showing how much the federal tax is, how much the provincial tax is, and how much the actual gasoline costs. I should like to see such a sign placed on the tanks because in many areas the taxes amount to more than the product.

Any government which decides to put on a tax only to get money out of the misery of the people who are totally dependent on this product, a product which in many ways is a basic necessity, like bread, or milk, or medical attention, must bear the responsibility. It is a tax which is unfairly applied if its only purpose is to bring in money. This holds true at least until the day comes when there is an alternative form of transportation—economic public transportation universally available.

It is strange how many people in Ottawa think that public transportation is available everywhere. I would say that thousands of people have been disqualified from receiving unemployment insurance benefits in my area during the past 15 years because they answered the question which reads "Is transportation available?" in the negative because there was no transportation which would get them to a job and back again.

There is a definite need for conservation, of course. It would have been much better if Ontario, rather than getting into a fight with the Minister of Finance had sat down with the minister and discussed how gasoline supplies might best be conserved. We are not only talking about gasoline. We are talking about heating fuel for the coming winter and for years to come. We are talking about long term agreements with the United States which we shall probably have to honour to our own discomfort.

If the provincial government and the federal government had wished to be fair to the people, conservation would have begun with a subsidy of sizeable magnitude to those automobiles which consume least gasoline, cars that can get 20 or 25 miles to the gallon. Other cars should be subject to a penalty. People who drive cars which are capable of getting reasonable mileage should be given a break, not the North American automobile industry which is dependent upon salesmanship to sell a product which has been detrimental to this nation and to the future of our energy supplies. I was shocked to hear the Ontario government say that for an election period it would reduce the price of those large American cars just for the sake of political advantage.

This place is becoming redundant, Madam Speaker. People are no longer looking to Ottawa or to Toronto or the other provincial capitals for an answer to their problems. I do not think the Minister of Finance really faced the problem he said he was trying to face in relation to gasoline taxes. If he did, he spent no time whatsoever trying to convince people across Canada that equality of price, and equality of access to supply throughout the nation were a valuable contribution to the spirit of confederation itself. His failure to do so is one of the reasons this place is becoming redundant. I can certainly say that the Ontario mini-budget, as a direct reaction to the federal budget, did nothing along those lines either.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I know most hon. members would like the House to adjourn so that all members of the House could take advantage of the few fine summer days left. My remarks will therefore be very brief.

I thought however that it was my duty, considering the number of letters I got from workers who need their cars to go to work in the forest, to ask the government on their behalf to consider alternative sources of revenue to get the funds required for the administration of our country.

I know on the one hand that the Minister of Finance (Mr. Turner) has a very great responsibility to shoulder, in other words that he has to secure the sums of money which are necessary to allow various departments to operate in a normal way. However, I believe that in 1975, such an intelligent Minister of Finance as we have now should and could find other sources of revenue than the ones provided for in Bill C-66, especially with respect to the 10 cents a gallon excise tax on gasoline, which in my opinion will more directly affect the workers of our nation.

We might find a formula to impose that tax only on pleasure journeys. If people do not want to travel for their own pleasure, they won't, and they will not pay that tax. However, to earn a living, to go to work, people cannot do without their car. And I think individual citizens already pay enough taxes.

In his budget speech of June 23, 1975, the Minister of Finance said: government budget revenues for 1974-75; personal income tax $10,069 million; forecast for 1975-76, $11,145 million, in other words $1,136 million more than for 1974-75. This is personal income tax. On the other hand, corporate taxes in 1974-75, were $4,258 million and in 1975-76, $4,035 million, that is $250 million less. What intrigues me, Madam Speaker, is that from year to year, when we look at the statistics, we find that the total personal income declines while that of the big companies increases. I wish that were taken into account when imposing taxes, that there might be better balance and more justice in our society. The same people should not always get the bigger share of the pie. Taxes should be shared more equitably. That is why I would suggest that this bill be amended to do away with this 10 cent tax which will affect above all the working class.

● (1700)

I need not repeat what has been said in the House in this regard. To my mind, the matter has been sufficiently explained and I shall dispense with repeating those arguments. Still, I fear that the individual will have to bear the brunt of that increase, in many cases, because the companies will increase their prices as a result of their having to pay tax on gas. They will feel justified in increasing their prices. Then the individual will pay the tax on the gasoline he uses, before being called upon to pay the tax for the corporations, so that he will end up paying the tax twice. It is the individual who will again be penalized.

At the end of the year, these same corporations will be authorized, under this legislation, to claim a refund for part of the tax they have paid for the gasoline they have had to buy. The larger corporations will again take the advantage over the individual. While individuals will not be authorized to claim any refund, corporations will be allowed to ask for the refund of the tax they will have paid. They receive a double benefit, while individuals receive a double penalty.

If I am against this bill, it is because the Minister of Finance (Mr. Turner) could work with his officials at adjusting the tax base, which would permit individuals to keep a larger share of their incomes to support their families. I know that the government takes very lightly the fact that individuals must pay in advance. The purpose of this tax is therefore to provide more revenues. I am against that, because surely other means must exist in 1975 to provide the government with the money it needs to administer our country.

[Mr. Lambert (Bellechasse).]

Finally, the bill states:

> For the purposes of subsection (1), the expression "commercial or business purposes" shall have such meaning as the Governor in Council may determine by regulation.

Expression such as this are difficult to accept. They are too vague. It is the legislator who levies this tax. Bureaucrats will decide who is going to pay it and who will not. I feel we should be a lot more careful when the time comes to adopt legislation of such extensive bearing.

I suggest that once the legislation is passed, it be referred to the committee, sent back here and again referred to the committee so that both legislators and officials will get acquainted with it and agree what are commercial or business purposes. What does that mean? What groups of individuals or undertakings will be considered for commercial or business purposes?

Then afterwards, when our constituents will be asking information, we will not look stupid and be unable to answer. We will be able to provide information. I think that we should follow that procedure for the passage of all legislation.

I remember various conditions which were entirely unacceptable. Madam Speaker, I will be told that Parliament has always operated this way and never failed to govern. Yes, we have always acted this way but many of our laws have been referred to courts and given rise to many differences entailing considerable expenditures precisely because it had not been specified what regulations would be enforced following the passage of such and such a bill.

So I think that in 1975, if we want to do something different, if we want to be a modern, a progressive Parliament, we should proceed in a different manner, more clearly and more precisely. This is what the population expects from the legislators of this Parliament. The Canadian people do not want to be bothered but they want to have measures which are clear and understandable for the average Canadian who must use these laws.

Madam Speaker, I said a few minutes ago that the Minister of Finance can find other financing sources which would enable the government to administer without putting too heavy a load on private people. We can hear comments here and there—you simply have to be among the people to hear and understand their comments.

Yesterday, I listened to a two-hour radio program in which the capitalist system was blamed because there are exaggerations; the system in itself is not bad, but abuse is. If we want to save the capitalist system in which we live, we have to initiate reforms, we must do something and who can do this? Parliament. Parliament has the authority to initiate the necessary reforms and to try and adapt the capitalist system to modern needs. For the capitalist system to survive, it must be amended, otherwise it will perish and everyone will wonder why. Suddenly we shall awaken in a country administered by ideologies that we reject but that we shall have to accept for having lacked vigilance.

I feel the time has come for us, if we are urged to act in a correct and different way, to find new solutions. As for us, Madam Speaker, we have often suggested financing formulas that would solve the problem. But the government refuses to try them out, while having a good time preserving outdated solutions and unusable systems. As a result people are slipping further and further into debt and even find that funny. From 1967 to 1974, Canada's debt has increased by $25 billion, and everyone finds that funny. The government takes an ever larger slice, especially in personal income tax, and we think that these people are going to bless us for it. Come on! This is no way to obtain the support of the population to maintain a system that should deserve to be maintained. I sincerely wish to be understood, but provided the system be one that serves the population, not a system to which the population has to be subservient. Therein lies all the difference!

These are the few comments I wished to make in this debate. I restrict myself to such comments, because I should very much like that, according to the wishes of the government, this bill crosses the stages it must cross at the present time, and that the stage I suggested be added. This way the legislation will be as clear as possible and no one will feel he has failed to do his duty. 612

● (1710)

[*English*]

Mr. Caccia: Madam Speaker, I wonder whether you could ask for unanimous consent of the House to allow me to revert to motions for the purpose of moving the motion regarding the membership of the Standing Committee on Management and Members' Services?

The Acting Speaker (Mrs. Morin): Is there agreement that we revert to motions at this time?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

MANAGEMENT AND MEMBERS' SERVICES

MEMBERSHIP OF STANDING COMMITTEE

Mr. Chas. L. Caccia (Davenport): Madam Speaker, the motion I move reads:

That the members to serve on the Standing Committee on Management and Members' Services be the following: Messrs. Baker (Grenville-Carleton), Baldwin, Comtois, Goodale, Lambert (Edmonton West), Lefebvre, MacGuigan, MacLean, Matte, Kaplan, Reid and Symes.

The Acting Speaker (Mrs. Morin): Is there agreement to the motion?

Some hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole and the amendment thereto of Mr. Stanfield (p. 7416).

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise to say again that we in this party are completely opposed to Bill C-66. We believe very strongly that the government should withdraw the bill. If it is not willing to do so, we shall, of course, vote for the six months' hoist proposed in the amendment of the Leader of the Opposition (Mr. Stanfield). If that is defeated, we shall vote against the motion for the second reading of the bill, whenever the vote on that motion might be called.

May I remind hon. members opposite of a point that was made a few days ago by someone on this side of the House to the effect that we who sit on this side represent some 55 per cent of the voters of Canada. I suspect that on this issue the percentage of the people of Canada whom we represent is much higher.

Mr. Baldwin: It is 56.5 per cent officially now, Stanley.

Mr. Knowles (Winnipeg North Centre): My statistical assistant tells me that the exact percentage is 56.5 per cent, that is in terms of the vote on July 8, 1974. I suggest that on this issue today the percentage is a lot higher.

I believe we are all interested—and perhaps some of us have some sympathy for him—in the suit that the Minister of Finance (Mr. Turner) is bringing against the Canadian Broadcasting Corporation for remarks which he claims have damaged his reputation. The minister feels that the damage done to his reputation by certain things said over the CBC should be worth $100,000.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It so happens that some 18 or 20 years ago I took a publication to court, and although I won the case all I got was $1. So I wish the Minister of Finance well.

Mr. Jamieson: It does not say much for your capacity to be damaged.

Mr. Knowles (Winnipeg North Centre): That is exactly the point that the judge made, that it was libel but that I had not been hurt.

I suggest to the Minister of Finance that if he wants to find out whether his reputation has really been damaged he should consider what the people of Canada think about his Bill C-66. If that other damage is worth $100,000 to him, this of course should be worth several million dollars, although I do not know where he could collect it.

I want to say a few words on Bill C-66, but I think that I might be permitted for a couple of minutes to say a word about a fact that disturbs many of us, namely, that we are

still here, almost at the end of July, debating this bill, and who knows how much longer we may be here. A serious effort was made in parliament some years ago to structure our work. I think we even coined a word and said we were trying to "calendarize" the session so that we would be out of here in the months of July and August.

When we dealt with this matter in the fall of 1968 we faced the fact that what had spoiled most summers was the problem of getting estimates passed. The fact that there was no time limit on them meant that members of the opposition could keep the government here all summer. We solved that problem, and I think it is fair for me to say that the opposition gave up something in doing it. We agreed to an arrangement under which the main estimates for the year are passed during the fourth week in June, and the purpose of that, among other things, was so that parliament would not drag on into the summer months.

This is the seventh summer since that change in our rules was made. In one of those summers, in 1974, there was an election, so we were not here and we could not be kept here that July. But with respect to the other six summers since we passed that rule, three of them have been messed up, not because the opposition kept the House here on estimates but because the government brought in contentious matters at the last moment.

I submit that when talk occurs—and much of it comes from the government side of the House—about the "silly season" and about the fact that we should not be here, this is what should be studied, namely, the unfairness of the government, after everybody had assumed that we would recess at the end of June, bringing down on June 23 a budget with contentious issues, so that we are left with no option but to stay here and oppose some of these measures.

The other summers that were messed up were spoiled in the same way by the government making a decision late in June concerning matters which it felt we must debate; and debate them we did through July in three summers. I am not counting occasions when we had to come back because of work stoppages. I am talking about the scheduling of government business, and if there is any blame for our being here throughout July, 1975, it rests squarely on the government for having brought in a budget with its contentious measures on June 23.

Some hon. Members: Hear, hear!

● (1720)

Mr. Knowles (Winnipeg North Centre): One of these measures of course is Bill C-66 which we are now debating. It does several things, but the main and most offensive feature is the proposal to introduce a ten cents a gallon tax on gasoline at the manufacturers' or importers' level. As has been pointed out, by the time the gasoline gets to the cars of the automobile users, that addition may be not just ten cents but rather 12 cents or 13 cents, and in some cases perhaps more. At the risk of saying what has been said a good many times—there are occasions when a point must be repeated—I want to emphasize how unfair a tax such as this is.

Studies in taxation across the years have established the fact that the best kind of tax is the tax that is applied according to ability to pay. Therefore the best taxes are personal income tax with high exemption levels, and high percentage rates up into the upper levels, along with corporation taxes. However, when one imposes any kind of a commodity tax this has the effect of putting that tax on people without regard to their ability to pay, their need, or any other individual factors.

Generally speaking citizens do not like to pay taxes. It is par for the course for them to complain. But those same citizens know that civilization must be paid for and that taxes are part of that price. What really bothers people, however, is when one person feels he is having to pay a tax that somebody else does not have to pay. When we have these feelings of discrimination we find we really are in a mess. I suggest, as other speakers have, that that is particularly true of this tax of ten cents per gallon on gasoline. Some doctors will have to pay it and others will not. The exemption is not because one is a doctor. What counts is whether one is a self-employed doctor or a doctor on salary. Some lawyers will have to pay it and some will not, again depending not on the nature of the work and not on the amount of income but on the question of whether the lawyer is self-employed or is on a salary paid to him by someone else.

We might take the farm situation again. Generally farmers will get an exemption, but what about the farm workers? There are a growing number of farm workers in this country today, individuals who live in cities and who have to drive in order to get to their work out on the farms. These are not self-employed persons. They are on wages. They will not qualify for the exemption. So there will be people working side by side on a farm, some of whom will be receiving an exemption and some who will not.

Then there is the whole question of the unfairness to people generally because a law cannot be devised that will take into account what is a necessity and what is a luxury in terms of automobile travel. For the most part workers—and perhaps they are the largest number—who have to use automobiles to get to work will not have any exemption. So, if we look across the board the fact of the matter is that there will be discrimination. There will be Canadians complaining about each other. There will be individuals who say they do not receive the exemption while others do.

Then, as was pointed out with great effect last evening by my colleague, the hon. member for Regina-Lake Centre (Mr. Benjamin), there is the question of the paraplegics and others who have to use their cars. A member to my right also brought up the fact that these people require special licences because of the type of cars they drive. However, their special condition does not entitle them to an exemption. Some of these people who may be self-employed doctors or self-employed lawyers will be entitled to the exemption but those who are working for wages will not.

So I say that throughout the whole gamut of this arrangement we have unfairness and inequality that will have Canadians complaining about each other by saying that they do not get it while the other fellow does. That is built into this whole system.

The Minister of National Revenue (Mr. Basford) tried to give us an account yesterday of how the refunds would be

made. He made much of the fact that the machinery is set up to do it, but he spoke of the refund in terms of ten cents a gallon. There will be complaints because people will have to pay 12 cents of 13 cents extra for gasoline because of the tax but will receive a refund of only ten cents, and that only on the basis of the formula stated in the document they will have to file. So as I say the whole thing is shot through with inequalities and unfairness, and is so far removed from the simple, fair and just arrangement for taxation based upon ability to pay that it seems to me that only someone who wanted to do damage to the Canadian society could have thought of this arrangement.

I urge most strongly that the government withdraw this bill. If it is not prepared to do so before we have the vote on the six months' hoist I hope that in the time we shall have after that it may still be persuaded that we speak not only for the Canadian people in terms of their desires but in terms of their rights in respect of this matter.

I want to say a word about the whole question of rebates and the argument that has gone on between my friend from Peace River and the Minister of National Revenue. The hon. member for Peace River (Mr. Baldwin) insists that rebates could be made under an appropriate provision in the Financial Administration Act, and the Minister of National Revenue comes back with a legalistic answer supporting his contention that the rebates could not be paid until this bill is passed. This bill does two things. It provides for the collection of the tax and it provides for rebates. The government says that there cannot be any rebates until the bill is passed, and yet the government is collecting the tax.

When we ask the Minister of National Revenue on what basis the government is collecting the tax the answer is that it is an old tradition. I think this not only makes the law an ass but makes it preposterous. Surely if there is a tradition that the government has the right to collect a tax that has not been passed by parliament, then there can also be a tradition that the government ought to have the right, and the duty to pay back something that it should not have collected in the first place. This is the kind of legalistic argument we have heard, that is, that the government has the right to collect the tax by tradition but does not have the right to make the payment back. I submit that this really is an attempt to kid the troops. I submit that the same kind of ingenuity the government uses to collect this tax, or that it drew on in May, 1974, when it took off a tax and put it back on, could be used to make these rebates now without having to wait until this bill is passed which, who knows, might be down the road a piece yet.

● (1730)

The theory behind the collecting of taxes is of course not only that great word "tradition", but it is also that the government, being in a majority, can count on the fact that sooner or later what it proposes will be passed, retroactive to the date proposed by the government. Why not apply that both ways? If the government can collect the tax—because sooner or later its will will become law—why can the government not pay the refunds, because sooner or later the right to do so will become law? The fact is that the government is just using this in an attempt to blackmail the opposition in order to let the government have this bill.

I submit that if the government wants a summer recess and that if that view is shared generally, just as on other occasions we have reached agreements and put things over until the session was resumed, that could be done with respect to this bill, and the government could then have the summer weeks, those which are left, to consider this whole matter.

If that cannot be done and if the government cannot see common sense in that respect, then I urge that the motion proposed by the Leader of the Opposition be supported and that this bill be given a six months' hoist.

In a very brief reference I should like to say a word about something some of my hon. colleagues have discussed, although when they tried to speak at length Your Honour felt they were getting a bit out of order. I will not speak long enough to be out of order, but I do want to underline the fact that this unfair ten cents tax, which has no regard to ability to pay, is part of a total package which is taking this country the wrong way both socially, and in terms of taxation. When I speak of the total package, I think of the government's plans for collecting more money for unemployment insurance by that new threshhold system which will be introduced, and by making workers pay more for unemployment insurance for those who are not working. I am thinking also of the provisions regarding hospitalization and medical care, which the government has in mind.

All of these measures taken together are a departure from the sound principle of taxation according to ability to pay, and when the other measures in the budget which relieve things for corporations and put more burdens on the ordinary people of this country are added to that, I say that my point is well taken that the government is taking the country the wrong way. Therefore, when we oppose Bill C-66, we are opposing it not only on account of its own demerits, but we are opposing it because it is part of a total tax package which really surprises me coming from a government which calls itself Liberal. Of course that "Liberal" has long since been spelled only with a big "L." There is just no little "l" liberalism over on the other side any more.

When hon. members from all parties on this side of the House have opposed this bill there have been some voices from the other side asking us what methods we would use to raise the necessary money to have a one price system regarding petroleum products. We have made it quite clear that we still think the taxation system, namely, income tax according to ability to pay, and corporation taxes and surtaxes in both cases on the upper levels, is the fair way.

During the weeks before the budget was brought in by the Minister of Finance at least two of us put a question to the minister in this area. One was the hon. member for Lac-Saint-Jean (Mr. Lessard), who sits on the government side, and I was the other one. Our questions might even have been on the same day, but certainly they were very close to each other. We both asked the minister whether in his then forthcoming budget he would consider imposing special taxes on income increases in excess of 12 per cent. That was a figure the minister had been bandying about, and the minister said, both to the hon. member for Lac-

Saint-Jean and to me, that he would receive this representation, and I certainly had the impression that he might consider it and that he might do something by way of meeting revenue needs by taxation on increases in the higher brackets and on personal incomes and corporation incomes generally. But no, there is none of that in this budget at all. The only income tax change in this budget is the $250 per year increase in the case of very wealthy people, those who have incomes of $26,000, $28,000 or more.

I submit that an area where the minister could have used proper and fair taxation methods was passed over for these unfair methods of higher costs to workers for unemployment insurance, higher costs to the sick and to people who need to go to hospital, and for this tax on gasoline. The whole thing is so grossly unfair in itself and is so contrary to the kind of social progress we have fought for in this country that many of us feel very strongly about this measure, and that is why we have kept this debate going.

If I may say so in just a sentence or two, on the other side of the coin there was nothing in this budget, and there has been nothing in this session, for pensioners or for persons in real need. We hear talk about the guaranteed annual income. We are told that it is coming, but in the meantime people in need, whether they are pensioners or those on low incomes in other age brackets, are being told they have to wait. While they are waiting they will have more to pay and they will suffer a decline in their living standards, because of these unfair taxes brought in by the Minister of Finance, one of which we are dealing with in the bill now before us, Bill C-66. We state again our strong and absolute opposition to this bill. We think it should be withdrawn. Failing that, we shall vote for the amendment to give it a six months' hoist.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the amendment (Mr. Stanfield) which was negatived on the following division:

[Mr. Knowles (Winnipeg North Centre).]

● (1740)

(Division No. 63)

YEAS

Messrs.

Alexander	Hnatyshyn	McCleave
Alkenbrack	Horner	McKenzie
Andre (Calgary Centre)	Huntington	McKinley
Baker (Grenville-Carleton)	Hurlburt	McKinnon
Baldwin	Jelinek	Muir
Balfour	Johnston	Munro (Esquimalt-Saanich)
Beatty	Jones	Murta
Beaudoin	Kempling	Neil
Benjamin	Knowles (Winnipeg North Centre)	Orlikow
Blackburn	Knowles (Norfolk-Haldimand)	O'Sullivan
Brewin	Korchinski	Paproski
Broadbent	Lambert (Bellechasse)	Patterson
Caouette (Villeneuve)	Lambert (Edmonton West)	Peters
Clarke (Vancouver Quadra)	Laprise	Ritchie
Coates	La Salle	Roche
Crouse	Lawrence	Rodriguez
Darling	MacDonald (Egmont)	Saltsman
Dick	MacDonald (Miss) (Kingston and the Islands)	Schellenberger
Diefenbaker	MacKay	Schumacher
Dinsdale	MacLean	Scott
Douglas (Nanaimo-Cowichan-The Islands)	Macquarrie	Smith (Churchill)
Epp	Malone	Stanfield
Friesen	Marshall	Stevens
Gauthier (Roberval)	Mazankowski	Stewart (Marquette)
Gilbert		Towers
Halliday		Wagner
		Whiteway
		Whittaker
		Woolliams
		Yewchuk—80

NAYS

Messrs.

Abbott	Foster	McRae
Allmand	Fox	Milne
Anderson	Francis	Morin (Mrs.)
Andras (Port Arthur)	Gauthier (Ottawa-Vanier)	Munro (Hamilton East)
Baker (Gander-Twillingate)	Gendron	Nicholson (Miss)
Basford	Gillespie	O'Connell
Béchard	Goodale	Ouellet
Bégin (Miss)	Goyer	Parent
Blais	Guilbault	Pelletier (Hochelaga)
Blaker	Haidasz	Penner
Blouin	Herbert	Philbrook
Breau	Holt (Mrs.)	Pinard
Buchanan	Isabelle	Portelance
Bussières	Jamieson	Poulin
Caccia	Kaplan	Prud'homme
Cafik	Lachance	Railton
Campagnolo (Mrs.)	Lajoie	Reid
Caron	Lapointe	Richardson
Chrétien	LeBlanc (Westmorland-Kent)	Rompkey
Clermont	Lefebvre	Roy (Laval)
Collenette	Loiselle (Chambly)	Sauvé (Mrs.)
Comtois	Loiselle (Saint-Henri)	Sharp
Corriveau	Lumley	Smith (Saint-Jean)
Côté	MacDonald (Cardigan)	Stewart (Cochrane)
Cullen	MacEachen	Tessier
Cyr	Marceau	Trudeau
Douglas (Bruce-Grey)	Marchand (Langelier)	Turner (London East)
Duclos	Marchand (Kamloops-Cariboo)	Turner (Ottawa-Carleton)
Dupont	McIsaac	Watson
Dupras		Young—92.
Duquet		
Fleming		
Flynn		

Mr. Speaker: I therefore declare the amendment defeated.

Amendment (Mr. Stanfield) negatived.

Mr. Rodriguez: Mr. Speaker, I take great delight in now speaking on the main motion. However, since it is six o'clock, may I call it six o'clock?

Mr. Speaker: Order, please. I presumed that there was no disposition to debate the main motion further, and I was about to put the question to see whether or not that was the case. It is understood that the debate will continue on the main motion. It being six o'clock, I do now leave the chair. The House stands adjourned until 2 p.m. tomorrow.

At 6.21 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 24, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

PROPOSED CONSULTATION WITH MANITOBA ON HYDRO DEVELOPMENT IN NORTHERN PART OF PROVINCE—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to present a motion dealing with a matter of urgent and pressing necessity.

Because of the present dispute between the government of Canada and the province of Manitoba which threatens hydro development in northern Manitoba, and the announcement of the Prime Minister (Mr. Trudeau) in this House on Friday, July 18, 1975, pursuant to which he tabled correspondence whereby all agreements between the government of Canada and the province of Manitoba were to be announced jointly in a spirit of co-operation, I move, seconded by the hon. member for Churchill (Mr. Smith):

That the government immediately undertake to meet with officials of the province of Manitoba with a view to bringing this dispute to a conclusion for the benefit of all Manitobans and northern Manitobans in particular.

Mr. Speaker: Order, please. The motion, pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

MESSAGE OF CONGRATULATION TO NATIVES ON THE ONE-HUNDREDTH ANNIVERSARY OF SIGNING OF LAKE WINNIPEG TREATY NO. 5—MOTION UNDER S.O. 43

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing importance. Inasmuch as articles of a treaty, known as The Lake Winnipeg Treaty No. 5, were made and concluded at Beren's River and Norway House in 1875, on September 20 and 24 respectively, between Her Majesty the Queen and the Saulteaux and Swampy Cree tribes of Indians, I move, seconded by the hon. member for Provencher (Mr. Epp).

That congratulatory messages be sent from this House to those bands of treaty Indians adhering to the provisions of the said treaty and who, early in August, will be celebrating the 100th anniversary of the signing of The Lake Winnipeg Treaty No. 5.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require the unanimous consent of the House before the presentation of this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

SUGGESTED RESIGNATION OF MINISTER BECAUSE OF ALLEGED BUDGET LEAK—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to move a motion dealing with an important and urgent matter.

Considering the revelations made by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) and reported in the July 24 edition of the Montreal *Gazette* concerning undue influence and lack of secrecy about the budget submitted in November by the Minister of Finance (Mr. Turner), and considering that such circumstances destroy the confidence that our population has placed in its government, and especially in its Minister of Finance, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the Minister of Finance resign immediately to help preserve the integrity of the government.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Under Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is no unanimous consent, the motion cannot be put.

[*English*]

CANADIAN BROADCASTING CORPORATION

PROPOSED AUTHORIZATION OF COMMITTEE TO INQUIRE INTO PENSION PLAN—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave under the provisions of Standing Order 43 to present a motion, to which I hope the House will agree. The broadcasting division of the Canadian Union of Public Employees, NABET, and other CBC unions are experiencing difficulty obtaining from the Canadian Broadcasting Corporation details of their pension plan, to which I am sure we all agree they are entitled. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

● (1410)

That the Standing Committee on Broadcasting, Films and Assistance to the Arts be authorized to inquire into the pension plan of the Canadian Broadcasting Corporation, with a view to the obtaining of information about the pension plan to which the employees of the corporation are entitled.

Mr. Speaker: The provisions of Standing Order 41 require the unanimous consent of the House before this motion can be presented. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Before calling oral questions I might ask the indulgence of the House in order to refer to a matter which I am sure will come as no surprise to hon. members. I have received notification of an application under Standing Order 26, and several notices of questions of privilege and others relating to the subject matter of a proposed motion, pursuant to Standing Order 43, of the hon. member for Champlain (Mr. Matte). The circumstances will give rise, I am sure, to questions during the question period which could be beginning at this moment. It will also give rise to technical problems about whether the House is entitled to ask questions of a parliamentary secretary when the minister to whom he or she is the parliamentary secretary is present in the House.

I am sure it will be no surprise to hon. members to learn that I have also received notice of a question of privilege from the hon. member for Kenora-Rainy River (Mr. Reid). It might solve some of the procedural and substantive problems associated with this most interesting matter if the hon. member for Kenora-Rainy River were to be given the consent of the House to proceed with his question of privilege at this moment as opposed to three o'clock. Perhaps it can be understood that in so doing, whatever time is absorbed in participation in that discussion by members on both sides of the House, it will be my obligation to safeguard 45 minutes of questioning for members of the House after the question of privilege has been resolved in one way or another. Is there unanimous consent that we proceed in this manner?

Some hon. Members: Agreed.

Mr. Baldwin: Just to make it quite plain with regard to the right of the hon. member for Kenora-Rainy River (Mr. Reid) to deal with this problem and answer questions, this will in no way derogate from the right of members of the opposition to question ministers who are here on this issue.

[Mr. Speaker.]

Mr. Speaker: There can be nothing to prejudice that during the question period. If 45 minutes is safeguarded, there is nothing to limit or restrict the right of members on all sides of the House to pose questions to the ministry in general, or particular ministers on this or any subject, provided it is within the minister's competence.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we wish to indicate our agreement to the procedure just proposed. However, can Your Honour make it clear how many will be able to speak on the question of privilege after the hon. member for Kenora-Rainy River (Mr. Reid) has spoken?

Mr. Speaker: Of course, I have no way of knowing that at the moment. I will have to exercise some judgment as to the extent to which that will go on. However, there are other hon. members who have given me notice of questions of privilege and motions under various Standing Orders. They certainly ought to be recognized in order to comment. Beyond that, I will have to make some judgment as to how far we ought to go before we commence the question period.

* * *

PRIVILEGE

MR. REID—NEWSPAPER ARTICLE ALLEGING NOVEMBER BUDGET LEAK

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a question of privilege as a result of an article in this morning's Montreal *Gazette* which claims that I was leaked information on the November 18 budget and that I passed this information to businessmen.

Mr. Speaker, I categorically deny this. It is totally false. The story in the *Gazette* asserts that I said I had six weeks' advance knowledge from the office of the Minister of Finance that there would be a removal of the excise tax on boats in the November 18 budget. I had no such knowledge. I never had communication with the minister's office on the substance of the budget either before, on or after November 18 and, as the records of this House reveal, the November 18 budget did not propose to remove such a tax; it proposed to implement this tax.

As a result of the budget, Bill C-40 was introduced on December 2. It included a clause which would enact this tax. Like several members on all sides of the House, I made strong representations to the Minister of Finance (Mr. Turner), to other ministers and to some of their officials that the new tax on boats be reduced. From their response, I, like other members, came to the conclusion that the government would agree to a relieving amendment. On January 28 the Minister of Supply and Services (Mr. Goyer) proposed an amendment to Bill C-40 that went even further than I had expected: it removed the tax altogether.

In other words, Mr. Speaker, the story in the *Gazette* is incorrect in its description of the stages of our budgetary procedures, of my particular knowledge—or lack thereof—of the contents of the November budget and, indeed, of the very substance of the budget. This article is either the result of gross incompetence by the reporter or of malicious intent of the worst order.

In anticipation of the likelihood that it was merely incompetence, I have asked the *Gazette* to publish a retraction and apology. If they fail to do so, I can only conclude that it was malicious. If there was malicious intent, then there are serious implications for all members of this House, for this House cannot permit false, unfair, unbalanced or defamatory accounts of its proceedings; and I repeat once more that one of the most important errors in the offending story is its miscomprehension of the stages of our budget procedure. This House cannot permit such accounts to be published without taking measures to protect itself. If such offending material is allowed to be disseminated, the institution as a whole will be brought unjustly into disrepute and we will be prevented from performing our constitutional duties.

Mr. Speaker, I would not want to pursue a newspaper if it has merely been the victim of an incompetent employee, and I would suggest that Your Honour defer your ruling until tomorrow. However, if the *Gazette* refuses to make a retraction tomorrow, and thereby makes it clear that this false and misleading story was published as a result of conscious and malicious intent, and if you find there has been a prima facie breach of privilege, I would propose then to move:

That the article in the Montreal *Gazette* concerning the member for Kenora-Rainy River, published July 24, 1975, be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for York-Simcoe (Mr. Stevens) has also given the Chair notice of his intention to raise a question of privilege concerning statements or alleged statements made by the hon. member for Kenora-Rainy River (Mr. Reid).

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, before commenting specifically on the remarks of the parliamentary secretary, may I ask, on a procedural point, whether it is clear that I am able to respond as we do ordinarily to statements on motions?

An hon. Member: No way!

Mr. Speaker: I think I made it clear that the hon. member was given consent to raise his question of privilege at an extraordinary time. I indicated that if there were other members who wished to contribute to the discussion of this question of privilege, I would hear them at this time. If the hon. member has some contribution to make to the question of privilege raised by the hon. member for Kenora-Rainy River, I will hear him now.

Mr. Stevens: Thank you, Mr. Speaker. To deal with the hon. member's statement, may I say I was a little disappointed that he did not refer to the proceedings which had taken place in a standing committee of this House, specifically on March 6, 1975, before the Standing Committee on Privileges and Elections. The hon. member was the chief witness appearing on behalf of the President of the Privy Council (Mr. Sharp) and at one point he stated:

Let us take a specific example of a change that was made in the budget, which was a change in the taxation on boats. There was to be an excise tax on boats. It was removed.

The hon. member then went on to refer to a great lobby which had been mounted and said that various people had spoken to the minister. He then said:

● (1420)

It seems to me that when a member of parliament has access to that kind of information—

Namely, that the tax was to be removed.

—which allows him with greater certainty to arrange his affairs to possibly take advantage of a change, it is the kind of conflict of interest that we must seriously consider in the green paper.

In giving testimony before that committee, the hon. member, for example at page 12:12 of the proceedings, made it very clear when he said:

I know that in my activities as member of parliament for Kenora-Rainy River I come into a great deal of information which is confidential.

At another point he stated:

I know from my own experience that kind of conflict of interest has happened to me in my role as a backbencher simply because I paid a great deal of attention to a department at a particular point in my parliamentary career. As a result of doing that, I was able to obtain a great deal of confidential information, both from the government and from outside people who were affected by the decisions of that department.

I read that into the record because I feel it is very pertinent to our discussion today which has been brought on by the account in the Montreal *Gazette*. I suggest that in previous evidence the parliamentary secretary made it very clear that he was privy to confidential information. I think it is important that this House be made aware whether the parliamentary secretary was in fact made aware that the Minister of Finance (Mr. Turner) was going to amend the excise tax legislation by removing the boat provision that had been proposed in both the May 6 budget and the November 18 budget. I believe the House should be made aware whether the parliamentary secretary was given forewarning of that amendment to the budgetary legislation and, if so, at what time. The Montreal *Gazette* report states that it was made some six weeks in advance.

I believe that the House should be made aware whether the parliamentary secretary misused that information. Did he in fact convey that information, as the Montreal *Gazette* story indicates, to those who could benefit from the information? I ask this because it has long been a principle of parliamentary government that members participating in the House of Commons, certainly at budget presentation time and when dealing with budgetary legislation arising from the budget, must keep any suggestion of conflict of interest to a minimum. This ensures that persons in the civil service, the House of Commons or the private sector do not have the opportunity to profit, directly or indirectly, from knowledge of changes in the incidence of taxation. Clearly, this was a significant change made to the excise tax bill by amendment.

Ministers deliver their budget speeches, and any amendments that the minister may think fit thereafter, in a spirit of confidentiality. For example, budget speeches themselves are usually delivered in the evening to avoid any possible effect on the stock market. The tradition of secrecy ensures that all Canadians will be kept at the same advantage or disadvantage with respect to any budgetary matter, and that any announcement will be made first in this House and not privately to those who rightfully have no access and should have no access to that information. I suggest that budgetary secrecy is essential to guarantee to all taxpayers that no group can escape its share of taxation, and that in particular those whom they have elected to represent them in the House of Commons cannot escape laws approved for everybody.

I refer Your Honour to a statement of this principle and its consequence in Dawson's "The Government of Canada". He writes:

The necessary practice of keeping all budget provisions a close secret—

Mr. Speaker: Order. I hesitate to interrupt the hon. member but I do not think he need argue the sanctity of budget secrecy. That seems to me a matter that is generally agreed to by all members of the House; there is no disagreement there. The point raised by way of a question of privilege is that no budget secrecy was involved but, rather, in respect of legislation which took place after the budget. That may or may not be the case. I have been asked to reserve judgment until tomorrow. I wonder if the hon. member would direct himself to that point.

Mr. Stevens: The point is not only a question of budget secrecy but also the importance of keeping any tax change secret, and I would suggest that the two are one and the same.

Some hon. Members: Hear, hear!

Mr. Stevens: The parliamentary secretary has referred to what he regards as untrue allegations in the Montreal *Gazette*. I believe this goes much further than the statement made by the parliamentary secretary. Certainly, the testimony he put before the Standing Committee on Privileges and Elections, and in an indirect way also put before the Montreal *Gazette* reporter, as reported, is an unfair reflection on members of this House. I refer to the report in the newspaper and I quote from it as follows:

We put on a lobby, and we knew about six weeks or so before it was announced that it (the tax) was coming off the boats but not the motors.

Later, the parliamentary secretary is reported to have said that inside information on confidential material is widespread, and "This happens all the time with members". As a final touch, he declared that he informed those concerned in his constituency of the budget details which concerned them.

I believe three aspects of this situation relate to the privileges of all hon. members and bear closer examination. First, the House cannot let go unchallenged the charge that all hon. members have access to information which they may not legally or constitutionally possess. This statement is untrue and defamatory and the parliamentary secretary should have the opportunity, before a committee, to explain or withdraw his statement.

[Mr. Stevens.]

Some hon. Members: Hear, hear!

Mr. Stevens: Second, did the Minister of Finance in fact break his oath of secrecy and violate his constitutional obligation to maintain silence until budget night, and did this breach of secrecy then lead the parliamentary secretary to repeat and magnify the offence by reporting the information to those in his constituency who were in a position to profit directly? Third, does the Minister of Finance make a habit of revealing secret budget information to government backbenchers?

Some hon. Members: Oh, oh!

Mr. Stevens: If so, to what extent is the budget confidential, and how is that confidentiality protected? Mr. Speaker, I will wait upon your instructions, but because of this background, at the appropriate moment I would like to move that this matter be referred to the Standing Committee on Privileges and Elections for further study; and if now is the appropriate time for my motion, I would be pleased to move it.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as Your Honour knows, I gave notice of my intention to move a motion under the provisions of Standing Order 26, but following what the hon. member for Kenora-Rainy River (Mr. Reid) had to say—and I listened with interest and care—I would inform Your Honour and the House that today I have no intention of moving that motion. I will reserve judgment. Depending on what is published in the Montreal *Gazette* tomorrow, I will decide whether that course of action will be required at that time.

On behalf of my colleagues, I would like to say that I welcome what the hon. member for Kenora-Rainy River had to say on this very important question. In substance, I agree completely with the procedural steps he has recommended to the House.

Some hon. Members: Hear, hear!

Mr. Broadbent: The hon. member has categorically denied what I think are the essential points at issue in this matter, namely, on the one hand that he had any access to the details of the budget before it appeared, and on the other hand that he not only did not have that information but he did not convey it in any way to anyone. The hon. member has stated that he expects an unequivocal apology or withdrawal of the charges which were made in today's Montreal *Gazette*, in that newspaper tomorrow and upon failure to do that, if I understood the hon. member correctly, he intends to move that this matter be referred to the Standing Committee on Privileges and Elections. As I say, we agree with that as being the entirely honourable course of action under the circumstances.

● (1430)

Some hon. Members: Hear, hear!

Mr. Broadbent: The only point I would add at this time is, depending on what is contained in the newspaper tomorrow, and depending on whether or not certain other matters remain unclarified before the House rises tomor-

row, if we still believe there are a number of other issues that require at least clarification, specifically the reference made to a letter that was alleged to have been sent by the hon. member to certain businessmen—we may want to know whether that was done, the date of the letter, for example, and its contents. The House has a right, certainly, in terms of the knowledge we have up to this point, to expect such information to be made available.

As I say, we accept the procedural steps the hon. member has recommended and suggested that he will be taking, and depending on the release and disclosure of information we think is important, we may or may not decide to refer other questions to the Standing Committee on Privileges and Elections tomorrow, and may or may not decide to move a motion under the provisions of Standing Order 26.

Mr. Speaker: Order, please. It is evident that the prudent course to follow is to reserve judgment on this matter until tomorrow morning. I might say that hon. members should give some consideration, in the interim, to the fact that if it were to be suggested to the House, or if the Chair is to be asked to leave it to the House to decide whether or not a matter should be referred to the Standing Committee on Privileges and Elections, the substance of that matter should be fairly clearly defined. A motion which includes a hypothesis and the words "that this matter be referred to the Standing Committee on Privileges and Elections", obviously is no guidance to the Chair. It must be clear whether one is talking about the conduct of the newspaper or the conduct of the hon. member, among other difficulties. Members ought to be forewarned that whatever conduct, practice or experience they wish referred to the standing committee should be clearly defined in any motion.

In the meantime, I would think it only fair that the notice of motion I have received from the hon. member for Kenora-Rainy River (Mr. Reid) and the hon. member for York-Simcoe (Mr. Stevens) on questions of privilege, and the notice of motion, pursuant to Standing Order 26, received from the hon. member for Oshawa-Whitby (Mr. Broadbent) should stand until tomorrow morning. We would reserve to those members the rights they ordinarily would enjoy pursuant to those notices.

There is, of course, nothing to prevent other hon. members, if they so desire, in the interim providing the Chair with notice of motion of questions of privilege which I would hope would be in specific terms in respect of the circumstances of this particular matter. There is, of course, always the other matter that hon. members ought to consider, which is that the door is open at any time for any member of the House to make specific allegations or charges against another member of the House for his misconduct, if it seems advisable to that hon. member to support it with his own allegations, with the usual consequences. Those are areas which hon. members ought to consider. In the meantime, all outstanding notices of motions on the subject to which I have referred will stand over for further consideration tomorrow.

Mr. Stevens: I rise on a point of order, Mr. Speaker. Since Your Honour referred to the fact that any motions should be in specific terms, I should mention that I would be quite prepared to move my motion in specific terms at the present time, if that would be in order.

Mr. Speaker: I only issued that as a bit of warning. I think it is advisable that the matter stand over until tomorrow, at which time if there is a motion, depending upon the events of tomorrow, and the hon. member wants to move it, if he would be at liberty to do so at that time.

Mr. Woolliams: Mr. Speaker, I am wondering whether there would be the right to ask questions. The things that I thought were unsaid today are, what did the hon. member say in his conversation with Mr. Hamilton of the *Gazette*? Was that conversation taped? Where is the tape, if there is one, and will it be procured? Those things were left unsaid. Will we be permitted to ask questions when the question period is called?

Mr. Speaker: Order, please. Having adopted an extraordinary procedure with the consent of the House, the procedure is that the House has until 3.25 for questions. There are other proceedings and questions of privilege which could be taken up in the ordinary course after the question period expires. The difficulty we face, on the point of order raised by hon. members, is that there is no procedure, in any of the precedents of which I am aware, whereby questions can be directed to a parliamentary secretary to a minister while the minister is present in the House. I have not been able to find any such precedent.

There is, of course, nothing to restrict hon. members asking questions of the ministry, the Prime Minister (Mr. Trudeau), members of the cabinet, or perhaps the President of the Privy Council (Mr. Sharp) in respect of alleged practices by the parliamentary secretary. But I would have to hear the question in order to determine whether it is in order. However, it might raise a curious problem if questions directed to any other ministers could be referred by those ministers to the parliamentary secretary himself; I don't know. That has not occurred; it is something for speculation at the moment.

ORAL QUESTION PERIOD

[*English*]

HOUSE OF COMMONS

MR. REID—DATE OF KNOWLEDGE OF CHANGE IN TAX ON BOATS—POSSIBLE COMMUNICATION OF INFORMATION TO CONSTITUENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker might I be quite direct and ask whether I have permission to direct a question or two to the parliamentary secretary, in order to save the time of the House. If I have permission to do that I might even ask the Government House Leader to leave for a moment in order to make it legal.

Some hon. Members: Hear, hear!

Mr. Stanfield: On the assumption that I have such permission—

Mr. Speaker: With all due respect, I am afraid that is a wrong assumption. I would think a question would have to be directed to the President of the Privy Council and it would be for him to decide whether the question ought to be directed to him while he was in the House.

Mr. Stanfield: Mr. Speaker, I should like to ask the Government House Leader whether his parliamentary secretary learned from the office of the Minister of Finance that the tax legislation which followed the budget would be changed and that he learned this between the date of the budget in November and the date on which the tax change was announced in the House on January 28, and whether the parliamentary secretary communicated this information that the tax change would be made to his constituents in their respective positions.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, since I have no personal knowledge of this I would ask that the question be referred to my parliamentary secretary.

Mr. Speaker: The Parliamentary Secretary to the President of the Privy Council.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The answer to the first part of the question, as to whether I received any information from the office of the Minister of Finance, is no. I obtained my information—I do not really consider I should call it hard information but rather an impression—after about two weeks of talking to officers in the various departments while lobbying the case I was trying to make. I came away with the impression that there would be a decision to do something about the tax on boats. Having obtained that impression—and I must say nobody came to me and told me at any time that this matter was in hand or was going to be done; it was simply an impression I had—I communicated to those people who had been in touch with me on dealing with budget Bill C-40 that indeed I had as my opinion, after lobbying the various departments and various ministers involved that there was a chance or a possibility that the tax would be dealt with and that probably it would be changed in some way. I was not able to define precisely and exactly what would happen.

● (1440)

MR. REID—REQUEST FOR TABLING OF CORRESPONDENCE WITH CONSTITUENTS ON TAX CHANGES ON BOATS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the President of the Privy Council in order to keep the procedure straight. Did the parliamentary secretary communicate this information to firms in his constituency in writing, and will the President of the Privy Council table that correspondence in the House?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, may I call upon my parliamentary secretary to continue this conversation?

Mr. Speaker: I think it might be appropriate to assume that questions on this subject directed to the President of the Privy Council are going to be answered by the parliamentary secretary.

[Mr. Stanfield.]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the representations that I received from my constituents were in two categories. There were those that were given to me personally when I was in my constituency, those that were telephoned to me, and there was one representation made to me in writing as of December 3, 1974. I replied to that on December 19, 1974. If Your Honour would wish it, I would be happy to table this correspondence at the present moment.

For the edification of hon. members, perhaps I might read from the last paragraph of my letter which deals with the opinion which I expressed. It reads as follows:

I have spoken to the Department of Finance officials as well as the minister, and I understand they are likely to relieve the excise tax against boats, although not on motors. When the situation becomes clearer, I'll be in touch with you again.

The next correspondence I had was on January 30, when I reported to them what had happened on January 28 when the Minister of Supply and Services moved appropriate amendments that had been accepted by the House. If you wish, Mr. Speaker, I would be happy to table the correspondence immediately.

Mr. Speaker: It would be my pleasure to extend that privilege to the hon. member. However, I can only extend it to the President of the Privy Council.

Mr. Sharp: Mr. Speaker, may I table this correspondence on behalf of my parliamentary secretary.

* * *

FINANCE

PERSONS WITHIN DEPARTMENT WHO HAD PRIOR KNOWLEDGE OF TAX CHANGE ON BOATS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question. Who in his department knew that this tax change was going to be proposed before it was announced in the House on January 28, who besides him had that knowledge?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as a result of representations and speeches from both sides of the House, both during the budget debate following the budget of November 18, as well as during the debate on amendments to the excise bill—I think hon. members can check those debates to see that the representations were made from both sides of the House and they were numerous—I asked my colleague, the Minister of Supply and Services, to present on my behalf an amendment on January 28 which relieved the tax from being imposed on boats as opposed to motors. I can say that to the best of my knowledge no advance notice of that amendment was given to any member of parliament, apart from those members who hold office in the Cabinet, who, of course, had to approve that amendment before my colleague submitted it on my behalf to the House.

As to who in the Department of Finance would have known of my intention to present that amendment, it would have been limited to officers in the taxation division of the department. I am not in a position to advise the Leader of the Opposition as to who actually would have had knowledge of that.

Mr. Stanfield: Mr. Speaker, I have a supplementary question of real relevance to the matter. The parliamentary secretary referred to information he received from officials of the Department of Finance. Does the Minister of Finance not consider it appropriate that he should have inquired, or at least should certainly now inquire, as to who were the officials in his department from whom the parliamentary secretary obtained the impression that these changes would probably be made, an impression that gave him sufficient certainty to write to firms engaged in this business in his constituency, a certainty as to the changes of policy to be made, thereby perhaps giving them an enormous advantage over their competitors?

Mr. Turner (Ottawa-Carleton): The hon. member for Kenora-Rainy River may or may not have received an impression from officials of the Department of Finance. That I do not know.

An hon. Member: He said he did.

Mr. Turner (Ottawa-Carleton): What I want to say to the hon. member is that no public servant in the Department of Finance would have known with assurance that any amendment would be proposed in the House until I, as Minister of Finance had approved it, and, even more important, until my colleagues in the Cabinet had approved it. It is only after that that it became a governmental decision on my recommendation.

Some hon. Members: Oh, oh!

Mr. Baldwin: When was the amendment drafted?

POSSIBILITY OF DISCUSSIONS BETWEEN MINISTER AND PARLIAMENTARY SECRETARY TO PRESIDENT OF PRIVY COUNCIL CONCERNING TAX CHANGE ON BOATS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, could the Minister of Finance indicate whether at any time he discussed with the parliamentary secretary the possibility of making the amendment which appeared on January 28?

Hon. John N. Turner (Minister of Finance): I discussed that amendment in response to representations from at least 50 members of the House.

Some hon. Members: Hear, hear!

Mr. Stevens: I did not ask about the 50 members. Was one of the 50 members the parliamentary secretary?

Mr. Turner (Ottawa-Carleton): I cannot distinctly recall that.

DATE OF DRAFTING AMENDMENT CONCERNING TAX ON BOATS

Mr. Sinclair Stevens (York-Simcoe): Would the Minister of Finance indicate when the amendment was drafted, how many days prior to January 28?

Hon. John N. Turner (Minister of Finance): I will find out. If the matter goes to the standing committee, of course that information will be provided. I do not have the information at my fingertips.

* * *

HOUSE OF COMMONS

MR. REID—DEGREE OF CERTAINTY ABOUT TAX CHANGE ON BOATS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Parliamentary Secretary to the President of the Privy Council. On grounds that the disclosure of amendments to a budget in principle is not at all different from disclosure of budget details, I should like to ask the parliamentary secretary what degree of certitude he had that the knowledge he possessed was concerning a change in the budget? He wrote about it in December although it did not come until January. Was he totally convinced that the change was coming and, if so, with what sense of certitude did he disclose that conviction?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, after lobbying ministers for changes in legislation and talking to officials, it has always been my impression that I can tell pretty well whether or not a government is going to move on something. If I were not able to operate on that basis, I would be a pretty ineffective member of parliament. I would say to the hon. member who posed the question that my certitude was to the extent that I was prepared to bet two bottles of scotch that I was right and he was wrong. So I would say that as a result of the lobbying which I had done among members on all sides and officials of the department, I was reasonably certain of it because of the pressure that was being put on.

I might say, in answer to that kind of question, that there was a discussion of this very operation in the Standing Committee on Privileges and Elections, as recorded at page 15 of the issue from which the hon. member for York-Simcoe quoted. I want to read a brief quotation to make my point. It reads:

> I for one on that very precise example said to various people, the Minister is going to withdraw this excise tax provision. And I had no confidential information whatsoever. It was just a good guess on my part, an intuition.

That was said by an hon. member who sits on the other side of the House.

Some hon. Members: Oh, oh!

Mr. Reid: So I think that those of us who represent similar constituencies, and who had lobbied hon. members and talked to the departmental officials, had a very good idea of what was going to happen.

Oral Questions

MR. REID—POSSIBILITY OF CONVERSATION WITH DEPARTMENT OF FINANCE OFFICIAL CONCERNING TAX CHANGE ON BOATS—REQUEST FOR NAME

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question for the parliamentary secretary. May I say, with respect, that I think the difference is pretty fundamental.

Some hon. Members: Hear, hear!

Mr. Broadbent: The parliamentary secretary is quoted in the press—and he may want to deny that, and part of what was said also—that he had "insider knowledge" which quite conceivably could be obtained only by a parliamentary secretary or a cabinet minister who had more direct access certainly than the rest of us have to Department of Finance officials. It seems to me that that is an important difference between people who sit in the House either as ministers or parliamentary secretaries, and people on this side of the House or backbenchers on the other side of the House. I should like to ask the parliamentary secretary if he had a direct conversation with what he would regard as a knowledgeable official in the Department of Finance on the subject under discussion. If so, would he give us the name of that official and the precise information that was given to him?

● (1450)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I had no direct information at all and I think that should be perfectly clear. I also would mention that backbenchers on this side of the House often feel that backbenchers on the other side have more information on what the government is going to do than we on this side.

Some hon. Members: Hear, hear!

Mr. Reid: The other point that should be made perfectly clear is that in the discussions in the standing committee when we were talking about conflict of interest I referred to my actions as member of parliament for Kenora-Rainy River, making representations on behalf of constituents who elected me; it has been my experience that a parliamentary secretary carries no weight at all with the ministry in many cases, and no weight at all with a department in obtaining information. Indeed, the correspondence I have had with everybody on it—which is certainly going to be open—has been done on my personal stationery as a member of parliament and conversations, phone calls and whatnot were made as a member of parliament. I was not introduced and have never introduced myself in my discussions with officials at any time with the temporary title which I bear!

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Reid: The Prime Minister informs me that the axe falls on September 15 when my appointment runs out! I want to emphasize again to the hon. member that nobody gave my any direct information. What I did have was the result of a series of conversations with officials in three departments who were all affected by this—Transport, National Revenue and Finance. All I was able to find out with certainty, was what I was listening to in the House of Commons, that the pressure was such that the government would have to move on this particular thing because it was so obviously unjust and did not apply.

Mr. Broadbent: A supplementary. If I understand the hon. member correctly he is saying that his insider information—that phrase has been used—and his concern about conflict of interest—a phrase he also used—is absolutely no different for him or any particular subject matter under discussion in his judgment than it is for any other member on this side of the House. If that is the point he is making, there are at least a number of us who might be skeptical about it. Would the hon. member provide to members of the House the names of the three departmental officials in the three different departments with whom he had conversations on this subject?

Mr. Reid: Mr. Speaker, on the subject of insider information, I think if members go back and read the testimony of the Committee on Privileges and Elections of March 6, 1975, the point I was making was that members of parliament, by their very nature, have inside information that is not available to the general public. I meant insider information only in that sense. Those of us involved in the governing process do have information which is not available to everybody in the community.

Concerning the names of officials, according to my files I have the name of only one official who was called, not by me, but by an officer in my employ and I am prepared to table in the House—if the House should wish it—a copy of the memorandum prepared for me by my staff which might be of some assistance. It is dated November 21, 1974.

Mr. Speaker: Does the House agree that the President of the Privy Council shall be in a position to table that memorandum?

Some hon. Members: Agreed.

* * *

[*Translation*]

INCOME TAX

ALLEGED REFUSAL OF MINISTER TO GIVE RECEIPT FOR DONATION TO POLITICAL PARTY

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of National Revenue but since he is behind the curtains, I will ask the parliamentary secretary, unless the Minister of National Revenue is willing to resume his seat. He is back.

Now, I would like to know pursuant to which act the minister may deny a taxpayer the amount of an official receipt which has been issued by an officer registered in a political party according to the law, and thus prejudice his right by refusing the immediate and total tax refund to which he is entitled?

[*English*]

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, this is really in the nature of a legal question

under the provisions of the Income Tax Act and the Elections Expenses Act.

* * *

HOUSE OF COMMONS

MR. REID—INQUIRY AS TO INTERVIEW WITH MR. JACQUES HAMILTON OF MONTREAL "GAZETTE"

Mr. G. W. Baldwin (Peace River): Mr. Speaker, through the intervention of the President of the Privy Council could I ask one question of the parliamentary secretary? I should like to know if the parliamentary secretary had an interview with Mr. Jacques Hamilton of the Montreal *Gazette* subsequent to an appearance before the standing committee and did he say to Mr. Jacques Hamilton the words which appear in the Montreal *Gazette* of today's date in quotations, the following:

"We put on a lobby." he said, "and we knew about six weeks or so before it was announced that it (the tax) was coming off the boats but not the motors."

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, that quotation is, I believe, taken from the proceedings of the Standing Committee on Privileges and Elections. If it is not, then I may well have said it. The discussion I had with Mr. Hamilton of the *Gazette* had to do with the work of the standing committee. We were discussing at that time the problems of confidentiality and information that comes to members of parliament by virtue of their being members of parliament. On that basis, I gave one of the examples where members might have information that was available to them before others simply by dint of being there at that time and representing their constituency.

MR. FAULKNER—INQUIRY AS TO TELEPHONE CALL FROM PRESIDENT OF OUTBOARD MOTOR COMPANY IN PETERBOROUGH CONCERNING TAX CHANGE ON BOATS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Secretary of State and ask if he received a telephone call from the president of an outboard motor company in the city of Peterborough within two weeks prior to the reading of the November budget in which the Secretary of State was informed that knowledge concerning the tax exemptions contained in Bill C-40 would be forthcoming and that the source of the information was revealed to the minister at that time. Can he confirm if he received such a telephone call and such information?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I should like to check that out and get back to the hon. member. I did have representations from the Outboard Marine Corporation on the tax measure itself but that is not what the hon. member is asking. I will have to check it out.

Mr. McGrath: A supplementary question. May I ask the minister if he recalls a conversation with the Outboard Marine Corporation and if, during the course of that conversation, the minister was informed that this company had been informed that the tax exemptions were coming and that the source of the information was also revealed to the minister at the time?

Mr. Faulkner: I do not remember that, Mr. Speaker. The thrust of the representation to me was to try and lobby the Minister of Finance to change the tax measure in my capacity as member of parliament for Peterborough. I do not remember the other dimension that the hon. member is talking about but it may have taken place. I will check that. I will telephone the individuals in question.

MR. REID—INQUIRY WHETHER INTERVIEW WITH MR. HAMILTON TAPED—POSSIBILITY OF PRODUCING TAPE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the parliamentary secretary to tell the House now when he had an interview or when Mr. Hamilton interviewed him and was that interview or discussion between him and the newspaper reporter, taped? Has he asked for the production of that tape since this article appeared this morning in the Montreal *Gazette*?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I believe there were two telephone conversations with Mr. Hamilton; whether he taped them or not I am not aware. If he did so, he did it without my permission. I have not asked for a transcript of what notes he used.

MR. REID—REQUEST FOR NAMES OF DEPARTMENTAL OFFICIALS WITH WHOM TAX CHANGE ON BOATS DISCUSSED

Mr. Eldon M. Woolliams (Calgary North): A supplementary question to the parliamentary secretary. He may not have that information today. Would he be prepared tomorrow to give us the full names of all people with whom he had discussions in departments prior to that change in the tax measure? I agree with the Leader of the New Democratic Party that if there is a leak from a tax measure prior to the measure being brought to the House and the knowledge of the people, the same principle applies to that as to a leak of the budget. Would he give us the full names and be prepared to answer, with a statement on motions, these questions: what conversations did he have with those people; what did those officials say to him at that time; and, what disclosures did he make as a result of those conversations?

● (1500)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have already tabled the correspondence, the only piece of correspondence with the person who made representation to me about this. I cannot go beyond that. In addition, I have also tabled the document that was referred to concerning the telephone call made by a member of my staff on my behalf. I will look into my files, to see if, indeed, there are any records of representations that I made to other ministers, or to other departmental officials. And if I have such record I will be happy to make it available to the House. I do not know, from glancing at my files this morning, whether that information was kept.

MR. REID—DATE OF DISCUSSION WITH DEPARTMENTAL OFFICIAL CONCERNING TAX CHANGE ON BOATS REFERRED TO IN LETTER OF DECEMBER 19

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. I raised that question because, in the letter the parliamentary secretary, the hon. member for Kenora-Rainy River, wrote on December 19, 1974, appears this paragraph:

> I quite agree with you that the provision ought to have applied to snowmachines. I have spoken to the Department of Finance officials as well as the minister, and I understand they are likely to relieve the excise tax against boats, although not on motors . . .

That letter was addressed to Mr. Garth N. Nelson, president of Nelson's Leisureland. I ask the parliamentary secretary these questions: when did you have this discussion, and what was said in that discussion which led you to write that letter and make that clear prediction?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wrote the letter on December 19. That is the date on the letter. It was the result of fairly intensive work I had done in a short time, and I made a judgment as to what I thought would happen. My constituent had come to me and asked me what I thought was going to happen. I gave him the benefit of my opinion. It was strictly my opinion. He did not, incidentally, believe me.

Some hon. Members: Hear, hear!

Mr. Reid: He did not believe me. I think I should point out, Mr. Speaker, that I had spoken to the minister in the House, to tell him how unfair I thought this tax was on the small boat manufacturers of my constituency and on the retailers and marine operators in my county, and I did so in company with a large number of hon. members from both sides of the House.

It seems to me, if any constituent asks me to give my impression of what is likely to happen in the House of Commons, that I am not doing my duty as a member of parliament if I deny him the benefit of that opinion.

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REGIONAL ECONOMIC EXPANSION

GOVERNMENT ACTION TO ASSIST SPRINGHILL

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Can the minister provide the House with information about his activities relating to the disastrous fire which struck Springhill; what actions will he take, or what will his department do, in co-operation with other departments, to assist in the revitalizing of the business community of Springhill? May I thank the minister for the aggressive role he has taken in helping the people of the stricken community.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will try to answer with as much detail as I can within the limits of the question period, and follow up with a more detailed answer later.

Reference has already been made to consultations with the Solicitor General, with a possible view to obtaining a small and medium security addition or part of the penitentiary service for the area. The Minister of Manpower and Immigration and I have discussed the early start of local initiative programs, ahead of normal starting dates, so that people can be employed immediately. Last night I met Mr. Kent of Devco, not in any official capacity, but because of his knowledge of these matters. The minerals exploration agreement which we have with Nova Scotia permits sums to be assigned, to determine whether new mining ventures can be undertaken in communities like Springhill. In addition, I have one incentive case before me at present, of which I think the hon. member is aware. I will ask its consideration to be speeded. I have been waiting for word from the government of Nova Scotia following their cabinet meeting on Tuesday, to see what specific requests, if any, they will make, and I will keep the hon. member advised.

* * *

HOUSE OF COMMONS

MR. REID—REQUEST FOR CLARIFICATION OF LETTER OF DECEMBER 19 CONCERNING TAX CHANGES ON BOATS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct a question to the President of the Privy Council and, through him, to the parliamentary secretary. What did the parliamentary secretary mean by these words in the letter which he wrote on December 19 to Mr. Garth N. Nelson, one of his constituents:

> I have spoken to the Department of Finance officials as well as the minister—

What did he mean? Did he mean that he spoke for a deputation, in parliament? Does he mean something like that, or does he mean that he interviewed officials and the minister on this subject?

Mr. Speaker: Order, please. With due respect, it seems to me that the parliamentary secretary just answered a similar question asked by the hon. member for Calgary North.

MR. REID—SUGGESTED CONSULTATION ON TERMS OF REFERENCE OF QUESTION OF PRIVILEGE TO STANDING COMMITTEE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, a supplementary question, to the President of the Privy Council. As the parliamentary secretary suggested, very properly, that in certain circumstances the general terms of this matter ought to be referred to the Standing Committee on Privileges and Elections, may I ask the President of the Privy Council, because of the importance of the terms of reference, to consult others on this side of the House as to the proper terms of reference?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as I understand the question raised by my parliamentary secretary, he was referring to an article in the Montreal *Gazette*, which made certain allegations, namely, that my parliamentary secretary had access to budget secrets before the budget was brought down. He

properly raised a question of privilege in that connection. It is not the parliamentary secretary who is under investigation; it is the *Gazette*.

Mr. Stanfield: You are wrong.

* * *

[*Translation*]

BILINGUALISM

FEDERAL CONTRIBUTION TO PURCHASE TEXT BOOKS FOR TEACHING FRENCH IN ONTARIO—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to direct a question to the Secretary of State of Canada.

The province of Ontario has recently announced a $750,000 grant for the promotion and design of learning material made in Canada. I shall quote an article, by Mr. Pascal Barette, which appeared in *Le Droit* on last July 22:

> Out of this amount $250,000 will be specifically earmarked to meet the requirements of French schools in learning aids.

Will the minister tell this House whether or not, within the framework of the official languages program, he has had discussions with his provincial counterpart regarding federal participation in this program, the amount of federal contribution and the terms of the agreement?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker. We have had discussions. I am anxious, on behalf of the federal government, to participate. The federal contribution will match the provincial contribution, which will mean a contribution of $250,000 in the 1975-76 fiscal year. I have been anxious to ensure that the contribution should be earmarked for Canadian-owned publishing firms. We want them to be given preference and we are still negotiating this with the province of Ontario.

* * *

FINANCE

ALLEGATION BANKS NOT GRANTING FARM IMPROVEMENT, SMALL BUSINESS OR FISHERIES IMPROVEMENT LOANS IN ACCORDANCE WITH ACT—REQUEST FOR REPORT

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Finance. On July 4 I asked the minister to look into the matter of banks granting farm improvement loans, small business loans and fisheries improvement loans, in accordance with the act. Since that date I have learned that the situation is much worse than I thought. Has the minister made inquiries and given any instructions to the banks?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am under the impression that I signed a letter which is to be sent to the hon. member a day or so ago. I hope he gets it.

Mr. McKinley: I have not yet received it, Mr. Speaker.

NATIONAL REVENUE

ALLEGED DUMPING OF FOREIGN STEEL IN NOVA SCOTIA—REQUEST FOR REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of National Revenue, and follows the written memo I sent him on Friday, a copy of which went to the Minister of Labour, to do with press reports concerning the dumping of foreign steel in Nova Scotia. Has the minister any further information on the subject, as the steel industry in Nova Scotia faces difficult times, particularly as the Sydney steel plant has laid off many workers? Can he enlighten us and ascertain if steel is coming in at cut rates?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I received the hon. member's representation, another from his colleagues, and also one from my colleague who is responsible for the Department of Labour, to do with this matter. So far, no formal complaint has been lodged under the anti-dumping legislation. My officials are in touch with companies or in the course of getting in touch with them, to see whether they wish to institute proceedings under the anti-dumping act. I asked my officials to treat this as a matter of urgency, and to expedite it.

* * *

● (1510)

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON POSITION GOVERNMENT WILL TAKE ON HUMAN RIGHTS AND SELF-DETERMINATION AT FORTHCOMING CONFERENCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. Next week there will be a meeting of 35 nations in Helsinki. We in this House have no idea whatsoever as to the stand that the Prime Minister will take on behalf of Canada, there having been no day set aside for the purpose of discussion and ascertaining the feelings of members of this House with regard to the tremendous problems affecting the peace of not only Europe, but of the world, which will come up. I therefore ask him whether he has received representations from organizations such as the Ukrainian Canadian Committee asking what stand Canada will take. I specifically ask the Prime Minister these questions, whether any treaty signed by Canada should include a definite commitment by all signatories, including the U.S.S.R., to implement within their jurisdictions the principles embodied in the universal declaration of human rights and, second, that in the establishment of boundaries in eastern Europe which are the result of conquest, that such establishment should be conditional on the principle of self-determination being accepted by the U.S.S.R. and the other nations. I ask what stand Canada is going to take on this matter. I speak on behalf of representations made to me for hundreds of thousands of Canadians of Ukrainian origin and also Latvian, Estonian and Lithuanian origin. They are very concerned that no one knows whether Canada is going to stand up

and insist on self-determination as provided for in the United Nations charter.

Mr. Speaker: Order, please. The right hon. member should put his question. I think he ought to limit representation.

Mr. Diefenbaker: Mr. Speaker, this is something that should have been discussed in this parliament before the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Every time the cacklers cackle, I know I have touched something. I ask the Prime Minister what stand Canada will take in this regard.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as to the matter of representations, I do not believe I have received any specific representations about this conference I am attending next week. Of course, I have heard from Canadian groups of various origins about the subject many times. I have always responded to them and given them my views on it. They are well known.

Mr. Diefenbaker: What are they?

Mr. Trudeau: As to the conference itself, it has been in preparation for about two years. It has been discussed many times. I have answered many questions and I have had a press conference on it.

Mr. Diefenbaker: We are talking about parliament, not press conferences.

Mr. Trudeau: Parliament never deigned to ask me any questions on this.

Mr. Stanfield: I deigned to ask you a question.

Mr. Trudeau: Every time I have been asked questions on foreign affairs, I have attempted to deal with them as best I could. I have no recollection of having been asked specific details about this particular conference. However, I have said in various places that Canada's role in this conference has been a very constructive one indeed. We are the ones who insisted on doing the most on what is known as the third basket, the principle of free movement of people's ideas and exchange of information between various parts of the world and between various groups. We have been successful in getting this and other principles accepted. I intend to sign the document next week. It is not a negotiating conference. There has been agreement reached by the various governments on the document which will be proposed in Helsinki next week. I will, of course, be pleased to table that document in the House when I return.

Mr. Diefenbaker: Mr. Speaker, that is exactly the kind of evasion we get when the Prime Minister deals with External Affairs. This is a matter affecting every Canadian. The answer is as uncertain as it is meaningless. What stand will Canada take before signing a treaty with regard to the right of self-determination being assured, as provided for in the United Nations charter, for Ukrainian people, those of the Baltic states and others who are kept in captive nations behind the Iron Curtain?

[Mr. Diefenbaker.]

Mr. Trudeau: Mr. Speaker, I have not evaded that question. I have told the right hon. member and the House the government's views on these subjects. I can tell the right hon. member that it is not the intention of the conference in Helsinki to change the frontiers of any countries which are now members of the United Nations.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Diefenbaker: Mr. Speaker, this is an important matter.

Mr. Speaker: Order, please.

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

Mr. Speaker: Order, please. Only five minutes remain in the question period. There are several hon. members seeking the floor. The right hon. member for Prince Albert and the Prime Minister have now absorbed close to 10 minutes on this subject. I feel we should go on to another matter.

Mr. Diefenbaker: We may have taken up 10 minutes, but we did not get any information.

Some hon. Members: Order.

Mr. Diefenbaker: I am not going to be yelled down by a bunch of baboons.

Mr. Speaker: Order, please. If the right hon. member has a point of order, he can raise it at 3:25.

* * *

FISHERIES

GOVERNMENT MEASURES TO STOP DEPLETION OF FISH STOCKS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is to the Minister of State (Fisheries). Since his announcement yesterday that our eastern ports will be closed to Russian ships, general public reaction seems to be that while this will cause the Russians some inconvenience, it will have little effect on reducing overfishing on the east coast and no effect whatsoever in dealing with the rapid depletion of our stocks of herring, salmon and halibut on the west coast, what further steps do the minister and the government intend to take in order to stop this steady decline of fish stocks, both on the Atlantic and Pacific coasts?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, if the hon. member read the statement that I made on this matter, it was obvious that our decision to close the port was very much related to violation and over-run of quotas. If quotas are respected, at least the resources will be protected. We do not think that this will be enough. At the next ICNAF meeting in September, we will insist on a 40 per cent reduction of effort. As for the

other measures which the hon. member is proposing, I do not know if he is referring to possible unilateral action. I am surprised that he, as a representative of a west coast constituency, would be advocating this before we have absolute guarantees that we can protect the salmon.

PROPOSED UNILATERAL DECLARATION OF JURISDICTION OVER MARINE RESOURCES TO 200 MILES OFFSHORE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that Mr. L. R. Day, Executive Secretary of the International Commission for Northwest Atlantic Fisheries, has pointed out that they have no evidence of the Russians over-fishing and he says it is not surprising because those countries which follow the ICNAF regulations do not, of course, report them, and since this matter is left entirely to the discretion of nations involved, I ask the minister whether it is not now time to do what Canada did with regard to the outmoded three mile limit and take unilateral action or join with the United States in taking bilateral action in order to extend our jurisdiction to the 200 mile limit or to the continental shelf in order that we may be able to police the situation which ICNAF has shown it cannot police?

Some hon. Members: Hear, hear!

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Before the hon. member and the hon. lady across from me applaud, they might question whether Mr. Day has been properly quoted. I cannot believe that a person who is the secretary of ICNAF would not know that the charges of violation made by Canada followed many hundreds of boardings over the past months with our inspectors having access to foreign ships fishing off our coasts in the ICNAF area.

● (1520)

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Minister speaks of impatience. I should like to remind him of a speech he himself made to ICNAF in Edinburgh on June 6, 1975 in which the minister began by saying: "We have had enough"? I remind him also of his words to the delegates at that conference:

> Either the distant water fishing nations will co-operate with Canada or other coastal states in the orderly development of new coastal management regimes . . . or else Canada and the other states . . . will be obliged to consider other means of protecting their legitimate interests.

I am asking the minister what other measures he proposes to take to protect the legitimate interests of Canadian fishermen.

Mr. LeBlanc (Westmorland-Kent): I rejoice that the hon. member has been reading my speeches, too. I said then that we were impatient, and we still are. I also said we would take certain measures, and six weeks ago—it was not because of Mr. Moores' visit to Ottawa two days ago—I indicated that we would be closing ports if violations continued. In one case, violations were flagrant and continued, and we closed the ports. As for the other measures comptemplated, I indicated earlier that we are talking to those nations which share our concern; we are examining our options, and one lively option is that of a unilateral declaration.

* * *

ST. LAWRENCE SEAWAY AUTHORITY

REASON FOR CHANGE OF CONTRACTORS FOR DEMOLITION OF BRIDGE AT PORT ROBINSON—POSSIBILITY OF COMPENSATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct two questions to the Minister of Transport of which I have given him notice. They have to do with the circumstances surrounding the awarding of contracts by the St. Lawrence Seaway Authority calling for the demolition of bridge 12 at Port Robinson after a boat had hit the bridge—the peculiar circumstances surrounding the awarding of contracts. In the first instance, Bridge and Tank Company of Canada was awarded a contract to do the job but this was subsequently cancelled in favour of a contract awarded to McAllister Marine subject to some compensation for Bridge and Tank by way of salvage and scrap. What was the reason for the change in contractors and what form of compensation, if any, was paid to Bridge and Tank, of Hamilton, for loss of the contract and on what basis?

Hon. Jean Marchand (Minister of Transport): As far as the figures are concerned, I would have to check them because I do not have them with me. The reason no tenders were called was that the canal had to be cleared as quickly as possible. Under the arrangements which were made it took about 14 days before the canal was open. Otherwise, it would have taken two months or so. The Authority awarded the contract to a local firm to destroy the two towers and the span in the middle. The company could not do it, so they had to give the work to another firm. The St. Lawrence Seaway Authority even sent its own crane from Montreal to help in getting the span out of the way. After 14 days it was possible to open the canal. But for these measures it would have been necessary to wait for a couple of months.

Mr. Alexander: I want to thank the minister for his answer, subject to information which may be revealed to me subsequently. May I ask him, now, why it was necessary for the Seaway Authority to seek any contract for the demolition of the bridge when it is alleged it had the equipment, the personnel and the capability to do the job itself by means of the Hercules floating crane?

Mr. Marchand (Langelier): They came with the crane only to help the contractor. I am not sure that the Authority does have all the equipment necessary to do this job. The reason given me by the Seaway management is that they wanted to proceed as quickly as possible in order to free the canal for navigation. This is why they asked a firm which was already there to try to clean up the destroyed bridge. I will reply to any parts of the question which have been left unanswered after I get in touch with the Seaway Authority.

TRANSPORT

POSSIBLE PAYMENT OF COMPENSATION TO TRUCKING INDUSTRY AS A RESULT OF FREIGHT RATE FREEZE—DATE OF DECISION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. Can the minister advise the House whether the government has reached a decision with respect to the payment of compensation to the trucking industry arising out of the rail freight rate freeze? On May 23, I asked the minister a question about this matter and he indicated then that the matter was going before cabinet. On June 4, he told the House the matter was on its way to the appropriate committee. Can he now tell us whether a decision has yet been reached with respect to this matter?

Hon. Jean Marchand (Minister of Transport): Things are going exactly as I expected at that time.

Mr. Mazankowski: Can the minister assure the House that this matter will be resolved before his departure from the portfolio of Transport which, I understand, is imminent—before the end of the summer?

Mr. Marchand (Langelier): Personally, I hope so.

Some hon. Members: Oh, oh!

Mr. Dinsdale: What is it you hope?

* * *

AGRICULTURE

LEVY CHARGED ON MANUFACTURING MILK—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, may I direct a question to the Minister of Agriculture or to his parliamentary secretary? It pertains to the additional levy to be charged against all manufacturing milk deliveries from Canadian dairy farmers on or after July 1. Does the government intend that dairy farmers should bear the cost of deficits created as a result of the government's inefficient marketing methods when dealing with powdered milk?

Hon. Daniel J. MacDonald (Acting Minister of Agriculture): I will take the question as notice, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Baldwin: May I ask the government House leader what he has in mind for the business during this part of the session, and when does he propose to move the interesting motion standing in his name on the order paper?

[Mr. Marchand (Langelier).]

Mr. Sharp: The government is ready to continue sitting until Bill C-66 is completed. I believe that on all sides there is general agreement that it would be desirable to give us the authority to pay the refunds before the recess.

Mr. Baldwin: You have got it.

Mr. Sharp: The other piece of business with which we should like to make progress is Bill C-2. However, the government would be prepared to dispense with any further debate if we could get some sort of agreement as to the progress of that bill after we come back on October 14.

An hon. Member: No way!

Mr. Lambert (Edmonton West): That is precisely what you will not get.

Mr. Baldwin: May I, in my usual capacity as peacemaker, endeavour to direct a question to the government House leader in this regard, bearing in mind that there are still 18 amendments at the report stage to Bill C-2 and these amendments are the property of the House in general, not only of the hon. members who move them, and that there may be some time taken up by this debate. There is discussion going on at the present time which might involve some movement on the part of the government as well as on the part of the opposition, but I should like to be quite plain and I put this question bluntly to the government House leader: does he not realize that Bill C-66 is now in the delicate position where several acts of consent and unanimous approval will be required if discussion of it is to be completed by tomorrow, which seems to some of us to be not unreasonable—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Baldwin: —provided the NDP, which fairly recently discovered this measure, agrees.

Some hon. Members: Oh, oh!

● (1530)

Mr. Baldwin: Without in any sense reducing our capacity for a strong and sustained attack upon this iniquitous measure, it is physically possible for it to be completed by some time tomorrow night. But I think we would have to have some understanding that we are not going to come back to debate Bill C-2 at the beginning of next week. That is the situation, and I put it to the government House leader quite categorically, accompanying the statement that we are prepared to work together to preserve our right to secure certain modifications to Bill C-2 and that we will work with the government in that regard.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order regarding the business of the House, I wonder whether I might put two questions to the government House leader. My first question relates to Bill C-66. In view of the statement made today by the minister's parliamentary secretary, that he knew a certain tax was going to come off because there was considerable opposition to it, does it not therefore follow, in view of the massive opposition to Bill C-66, that the minister is going to withdraw it?

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): If not, we shall have to continue our opposition.

Mr. Broadbent: We have no inside information on that.

Mr. Knowles (Winnipeg North Centre): The other question relates to a matter that I raised with the government House leader on July 2, as noted at page 7170 of *Hansard*, having to do with the announcement in the budget speech that there would be legislation to increase the rate of return on existing Government of Canada annuities. On that occasion the minister indicated, in replying to my question, that there would be an explanation with respect to this matter before we rise for the summer recess. Since we might rise within a week or so, can the minister tell us what the precise plans are respecting these proposed improvements in government annuities?

Mr. Sharp: Mr. Speaker, on the first point, which I think was not meant to be taken very seriously, I hope that no member on the other side is sending out any letters suggesting that the excise tax is going to be lifted. However, while the Minister of Finance, if I may say, on a previous occasion said he would consider the representations that were made, he has made it quite clear, and so has the government, that this legislation must be approved.

On the second point, since giving the reply to my hon. friend from Winnipeg North Centre I have talked with my colleagues and I am informed that legislation is required. It is now being prepared on an urgent basis and will be introduced after the recess, not before.

[*Translation*]

Mr. Laprise: Mr. Speaker, on this point of order, before things get out of control I would like to get things straight about the proposal made recently by the hon. member for Peace River (Mr. Baldwin) that the House sit on Saturday to end up consideration of Bill C-66 before the summer recess.

I want to point out to the hon. member for Peace River that there is no indication that the sun will not shine next week and that we can come back, if necessary, to finish consideration of this bill. We have been expecting for at least two years legislation to amend the Unemployment Insurance Act. The minister promised it would be taken into consideration, and he does not talk about it any more now. I would like to know what he intends to do with the bill, or at least with some of the amendments that the public is expecting.

[*English*]

Mr. Lawrence: On a point of order, Mr. Speaker, I understood—or perhaps I misunderstood—from questions and conversations that some of us had had with the Secretary of State for External Affairs (Mr. MacEachen) that he was going to table the multilateral agreement between the IAEA and the government of Argentina respecting safeguards for the CANDU nuclear reactor. I was hoping that he would do this today.

Mr. MacEachen: Mr. Speaker, I have a copy of that particular agreement in the English language only and I should like to get a French translation. But I will either hand it to my hon. friend this afternoon or table it tomorrow.

Mr. Smith (Churchill): On a point of order, Mr. Speaker, concerning the Standing Order 43 motion I proposed today, my colleagues and I in this particular corner of the House did not hear any nays. If there were negative votes, I cannot understand why they would not be voiced loudly. My motion was only sending congratulations to the first people of this country on the celebration of their centennial.

Some hon. Members: Hear, hear!

Mr. Smith (Churchill): As I say, I did not hear any nays.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I think Your Honour said that at 3.25 I would be permitted to raise a point of order. My point of order has to do with an answer given by the Prime Minister (Mr. Trudeau) to the effect that he had not had any correspondence with the Ukrainian-Canadian committee, and naturally, except on anything concerning a personal allegation, I believe him. But I would point out that the telegram sent to the Prime Minister and the copies sent to the Secretary of State for External Affairs (Mr. MacEachen) were dispatched from Winnipeg on July 22.

Your Honour said ten minutes had been devoted to this matter. All across this country, sir, and among 100 million captive peoples, there is deep concern over this conference, of which parliament knows nothing except, as the Prime Minister said, what he deigned to let the people know through press conferences. Press conferences do not take the place of parliament in this country.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I asked him two questions; he is entitled not to answer. The first was with reference to boundaries being determined that were the consequence of conquest, where 100 million people who love freedom as you and I love freedom are denied the opportunity of self-determination. They are afraid another Munich is in the offing and they want parliament to place their views before the people. We have had no opportunity to do so.

This is the first time in all the years since Mr. Mackenzie King was prime minister that this House has not regularly had debates on external affairs. The Prime Minister answered me by speaking about something else. I have done my duty. I endeavoured to do something for those people who today are denied freedom and for those in Canada of various racial origin who have asked for action. All we have received in return is the contemptuous brush-off of a group of Liberal members who endeavoured to howl me down when I tried to place before the House something that touches the heart not only of those of various racial origin but of all Canadians who love freedom.

Mr. MacEachen: Mr. Speaker, the point of order raised by the right hon. gentleman gives me an opportunity to say that I have had similar representations from various

groups in the country with respect to their concerns about the results of the security conference. Of course, a principal concern has been the possibility that boundaries which came into effect after the Second World War would somehow be rendered immutable or sanctioned in some way by this conference.

● (1540)

That objective has not been attained by those who sought it. The text indicates quite clearly that these boundaries are not immutable and that they are subject to peaceful change under the rules of international law. I have been able to assure my correspondents that their concerns will be met in the texts which will be proposed at the summit meeting. I understand the concerns, and they have been met very fully. The efforts have been resisted.

Because of the words uttered by the right hon. gentleman, I think it is worth saying that in the field of human contacts and the desire that there be a free movement of ideas and peoples as a basis of future détente, this concept has been recognized in the texts, so that in the future they can be used as a basis for further development in the movement of ideas and the movement of peoples. This is a further objective which has been sought by the groups to which the right hon. gentleman has referred.

Mr. Baldwin: All you need now is an umbrella.

Mr. Danson: Mr. Speaker, for the record I think it is worth pointing out to the right hon. gentleman from Prince Albert (Mr. Diefenbaker) that there was, indeed, some parliamentary debate on this subject when his seatmate, the hon. member for Malpeque (Mr. MacLean), the late, lamented member for Scarborough West, and myself were members of a delegation to the Interparliamentary Union specifically on this conference in Helsinki. I think it was in January or February of 1973. It was a unique occasion, when parliamentarians did have an opportunity to report on such a conference and issues involved, and to debate them at that time. So it was the subject of debate.

Mr. Speaker: The hon. member for Nickel Belt (Mr. Rodriguez) seeks the floor on a question of privilege. He will be heard just after questions on the order paper.

* * *

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Fifth report of Standing Committee on Miscellaneous Private Bills and Standing Orders, in both official languages.—Mr. Loiselle (Saint-Henri).

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

[Mr. MacEachen.]

[*English*]

PARLIAMENTARY SEMESTERS ACT

MEASURE TO DIVIDE CALENDAR YEAR INTO THREE PARLIAMENTARY SEMESTERS

Mr. Walter Baker (Grenville-Carleton) moved for leave to introduce Bill C-411, to divide the calendar year into three parliamentary semesters.

Some hon. Members: Explain.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the purpose of this bill is to provide for three fixed semesters of parliament in each calendar year, so that members of the House of Commons will know when parliament will be sitting and thus can better organize their time to perform the related duties of members of parliament, particularly with respect to their constituencies. It is also designed to put a heavy onus on the government to organize the work of the House so that adequate time can be given for debate and to ensure that end of session game playing with important legislation will cease.

Some hon. Members: Hear, hear!

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,277, 2,330, 2,429, 2,436, 2,521, 2,765, 2,766, 2,778, 2,783, 2,819, 2,847, 2,851, 2,939 and 2,941.

Mr. Speaker, if question No. 716 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

NATIONAL HARBOURS BOARD—PORT OF MONTREAL

Question No. 2,277—**Mr. Forrestall:**

1. Did the President of the Privy Council approve the decision made by the National Harbours Board as stated in the answer to Question No. 1,899 that Board Minutes respecting the delegation of some authority regarding day-to-day operations of the Port of Montreal to an Executive Committee is an "internal and not a public document" and, if so, on what date?

2. Will the President of the Privy Council consider giving an opinion as to whether or not the National Harbours Board decision complies with the guidelines announced in 1973 by the government respecting the release of documents to Parliament?

3. Have any extracts, excerpts, quotations, portions, citations, passages or any other selection of Board Minutes of either the National Harbours Board or the National Capital Commission been made public

in any form whatsoever since January 1, 1972 and, if so (a) by what agency (b) on what topic (c) in what format (d) on what date?

4. Does the decision by the Minister of Transport to approve the decision of the National Harbours Board to keep such information respecting policy of the National Harbours Board, and involving public funds and publicly funded facilities secret, advance the government's stated objective of governing Canadians openly and, if so, to what extent?

Hon. Mitchell Sharp (President of the Privy Council): The answer by the President of the Privy Council and the National Harbours Board is as follows: 1. No.

2. The National Harbours Board decision does comply with the guidelines announced in 1973.

3. Extracts of minutes of meetings of the board are made available to the courts for such action as the swearing in or dismissal of police constables or for the transfer of property but are not made public by way of any further distribution. All minutes of the meetings are available to the Minister of Transport.

4. The National Harbours Board is responsible to parliament through the Minister of Transport. The board advises the minister on all policy matters which are felt to be in the public interest in fulfillment of its responsibility to parliament and the people of Canada, recognizing its role as a Crown corporation in competition for business with comparable organizations both within and outside Canada. The Minister of Transport determines the extent to which such policy matters should be made public and at what time in their development.

NATIVE ART

Question No. 2,330—**Mr. Firth:**

1. What was the dollar value of copies of Native art imported into the country last year?

2. Is there legislation or is the government contemplating legislation that would protect Native artists and the general public from the importation and sale of authentic looking, but bogus Native art?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Consumer and Corporate Affairs as follows: 1. According to Statistics Canada there is no such classification of imported goods as "bogus Native art". The classification of product information is received from the customs slips, the products being classified under such general headings as art and decorative ware, paintings and pastels made by hand, miscellaneous novelties, glassware, etc. To our knowledge, however, no copies of Eskimo art were imported into the country last year.

2. There is no specific legislation either existing or contemplated governing the importation and sale of goods that imitate the style of Canadian native art. The present Intellectual Property Laws (Copyright Act, Industrial Design Act, Trade Marks Act, Patent Act) do not deal with this specific matter. However, any prepackaged products including authentic looking art bearing false origin statements would be considered as violating the Consumer Packaging and Labelling Act. In addition, any misleading representations as to the authenticity of such products would fall under the purview of the misleading advertising provisions of the Combines Investigation Act.

Order Paper Questions

MINISTRY OF STATE FOR URBAN AFFAIRS—EMPLOYEES' SALARIES

Question No. 2,429—**Mr. Gauthier (Roberval):**

In the Ministry of State for Urban Affairs estimates, how many of the listed (a) 301 departmental employees (b) 3,322 Central Mortgage and Housing Corporation employees (c) 994 National Capital Commission employees earn between (i) $15,000 and $20,000 (ii) $20,000 and $25,000 (iii) $25,000 and $30,000 (iv) $30,000 and $35,000 (v) $35,000 and $40,000 (vi) $40,000 and $45,000 (vii) $45,000 and $50,000 (viii) $50,000 and more?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of State for Urban Affairs, the Central Mortgage and Housing Corporation and the National Capital Commission as follows: (a) The "301" in the Urban Affairs estimates represents man-years, not positions, and therefore cannot be broken down into salary ranges. As of March 31, 1975, there were 305 employees on strength in the ministry. A breakdown by salary range is as follows: (i), 41; (ii), 23; (iii), 23; (iv), 21; (v), 4; (vi), 1; (vii), 0; (viii), 0; (b) For positions filled by appointment by the Governor in Council, the following was their salary distribution at December 31, 1974: (i), $15,000-$20,000, None; (ii), $20,000-$25,000, None; (iii), $25,000-$30,000, None; (iv), $30,000-$35,000, None; (v), $35,000-$40,000, 3; (vi), $40,000-$45,000, None; (vii), $45,000-$50,000, 1; (viii), $50,000 and more. It is not the policy of Central Mortgage and Housing Corporation to disclose salaries in detail greater than that given above, since these are matters of internal administration and the responsibility of the president and the board of directors. (c) (i), 62; (ii), 33; (iii), 19; (iv), 9; (v), 1; (vi), 1; (vii), None; (viii), None.

EXPORT OF ARMS TO GREECE

Question No. 2,436—**Mr. Francis:**

1. Were licences for the export of arms or any sort of war material to Greece granted since July 20, 1974 and, if so (a) to whom (b) for what amounts (c) on what dates?

2. Were any of the contracts negotiated through the Canadian Commercial Corporation?

3. Was the supply of materials to go directly to Greece and, if not, to whom were such arms assigned?

4. Were conditions attached to the licences as to what theatre the materials could be used in and, in particular, were there restrictions made as to the use of such materials on the Island of Cyprus?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. Four export permits have been issued for the export of non-offensive military equipment to Greece since July 20, 1974. (a) Since every application for an export permit under the authority of the Export and Import Permits Act is treated on a commercially confidential basis, it is not the practice to reveal to whom such permits were issued. (b) The four permits issued were for a total value of $20,076.00. (c) One export permit was issued in November, 1974, two in January, 1975 and the fourth one in April, 1975.

2. In one case, yes.

3. These shipments were to go directly to Greece. However, out of four permits issued, two were used for the full amount authorized, one was partially used and the fourth one has not yet been used. The total value of non-offensive

military equipment shipped to Greece since July 20, 1974 amounts to $5,253.00.

4. No.

MR. ROOSEVELT DOUGLAS

Question No. 2,521—**Mr. Rodriguez:**

1. What were the criminal charges against Mr. Roosevelt Douglas, a landed immigrant from Dominica?

2. Was he convicted and, if so (a) on what date (b) what were the charges (c) what was the sentence?

3. What is his present status in Canada?

Hon. Mitchell Sharp (President of the Privy Council): 1 and 2. Mr. Roosevelt Douglas was convicted under section 372 of the Criminal Code, for which he was sentenced on April 30, 1971, to an aggregate sentence of 913 days. He was released on bail on May 14, 1971, and resumed his servitude on June 21, 1973. Mr. Douglas is a landed immigrant, on parole until the date of expiration of his committal warrant, i.e., December 13, 1975. A deportation order was issued against Mr. Douglas and the Immigration Appeal Board has upheld that order.

3. The status of Mr. Roosevelt Douglas in Canada is that he is a person under an order of deportation who is to be removed from Canada as soon as practicable in accordance with the direction of the Immigration Appeal Board. Because he is on parole from prison he remains within the jurisdiction of the Solicitor General and cannot be removed from Canada until his parole expires in December, 1975.

AIR CANADA—PASSENGER LOAD FACTOR

Question No. 2,765—**Mr. Mazankowski:**

What was the passenger load factor on the (a) Boeing 747 (b) Lockheed L-1011 (c) Douglas DC 8 (d) Douglas DC 9 (e) Boeing 727 operated by Air Canada on regularly scheduled services in the years 1974, 1973, 1972, 1971 and 1970?

Hon. Jean Marchand (Minister of Transport): The Management of Air Canada advises as follows: Air Canada does not maintain records of passenger load factors by individual aircraft type. To provide this information would require an inordinate amount of clerical time with resulting costs.

ECONAIR

Question No. 2,766—**Mr. Mazankowski:**

1. For what reason was Econair formed?

2. How large is its staff?

3. (a) Who are the Directors of Econair and are they also employees of Air Canada (b) do they receive a salary from Econair in addition to their Air Canada salaries?

4. What has been the size of the profits or losses of Econair since its inception?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. To operate travel services on behalf of Canadian National Railways and Air Canada. The initial objective was to participate in the business of selling advanced booking charters.

[Mr. Gillespie.]

2. Venturex Ltd., as Econair is now known, has a total of 18 employees.

3. (a) R. T. Vaughan, M. H. Cochrane, J. R. Drummond, R. H. Lindsay, J. H. Richer. All except Richer of CNR are employees of Air Canada. Also, Mr. Lindsay, was seconded from Air Canada and is a full time employee of Venturex. (b) No. They receive salaries only from their respective employers.

4. For year end 1973, a loss of $521,710.

MONTMAGNY PIER BASIN—DREDGING

Question No. 2,778—**Mr. Lambert (Bellechasse):**

Has the Montmagny pier basin channel ever been dredged and, if so, (a) in what year (b) at what cost?

Hon. C. M. Drury (Minister of Public Works): Yes (a) 1959, 1965; (b) $600 in 1959; $75 in 1965.

REMOVAL OF JUNK AUTOMOBILES

Question No. 2,783—**Mr. Hnatyshyn:**

Is it the intention of the government to bring in legislation or take any initiative in regard to the removal of junk automobiles which pollute our environment?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): The disposal of automobiles is a provincial responsibility. Nearly all provinces have introduced measures for assisting in the collection of derelict vehicles. Canada has at the present time, either proposed or operating, some 13 car shredding operations which are capable of handling the economically accessible obsolete vehicles and redirecting the recovered metal back into the industrial stream. The solid waste management branch of the Environmental Conservation Directorate of the department is presently assessing, on a national basis, the effectiveness of the present facilities and potential areas for additional conservation.

CONTRACT—MR. R. K. ROSS

Question No. 2,819—**Mr. Beatty:**

1. What is the purpose of the Department of Supply and Services contract number SZ05 KL 108-5-0031 (OSZ5-0111) for "Preliminary analyses of songbird data from Nova Scotia and design of an efficient statistically valid method based on the results of the analyses for further surveys."?

2. On what date and how was this project advertised prior to the awarding of the contract to Mr. R. K. Ross?

3. What other bids were submitted and by whom?

4. On what date is the final work to be submitted and to whom?

5. What are Mr. Ross's qualifications for the work he will be performing?

6. What other work has he done for the government and what was the cost to the taxpayer, if any?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. Contract SZ05 KL 108-5-0031 (OSZ5-0111) D.S.S. was issued on behalf of the Canadian Wildlife Service, Department of the Environment. The contract study was to assist in the improvement of design and analysis of the National Cooperative Breeding Bird Survey which has been carried out in Canada by

unpaid volunteers since 1967. Results of those surveys have been published annually in Canadian Wildlife Service progress notes 15, 21, 26, 32, 38, and 45. These surveys are a useful contribution to monitoring environmental quality across the country.

2. The project was not advertised because a man of the required background and experience to undertake the work was available.

3. Not applicable.

4. The final report was received June 11, 1975 by both the scientific procurement officer D.S.S. and the scientific authority—Canadian Wildlife Service.

5. Bachelor of Science in Biology, Queen's University; Master of Science, Dalhousie University, specializing in avian ecology, plus required background in statistics.

6. Since June 1973—$19,100 in contracts and term employment to undertake various studies including design of an efficient aerial survey method for estimating numbers of geese; a study of invertebrates utilized by shorebirds in the Minas Basin; a survey of shorebird migration patterns in the Maritime provinces; analysis of beaver population data; and collection of field data on bird populations in Nova Scotia. The contract referred to in parts 1 to 4 was to analyse the data gathered in the summer of 1974.

ST. LAWRENCE RIVER PORTS—ICEBREAKING COSTS

Question No. 2,847—**Mr. Forrestall:**

1. With reference to the answer to Question No. 2,449, can the $8,600,000 best Department of Transport estimate of the cost of icebreaking services for the ports of the St. Lawrence River be broken into annual costs and, if so, what are they for the period given?

2. Does such estimate include capital costs of icebreaker acquisition and, if not, for what reason?

3. (a) What is the government's total capital expenditure to date since 1965 for icebreakers (b) how much of this, if any, can be attributed to the provision of services outside the St. Lawrence River?

Hon. Jean Marchand (Minister of Transport): 1. The breakdown on an annual basis of the cost of icebreaking services for the ports of the St. Lawrence River is as follows: 69-70, $1,021,550; 70-71, $1,169,750; 71-72, $1,314,900; 72-73, $1,415,050; 73-74, $1,734,950; 74-75, $1,948,750; Total: $8,604,950.

2. This estimate does not include the capital cost of icebreakers used in performing the icebreaking function because in government accounting, capital costs are written off in the year in which funds are appropriated.

3. (a) The capital cost of icebreakers commissioned since 1965 is $48,844,000, (4 ships). (b) These vessels are used in the St. Lawrence River, Great Lakes, Gulf of St. Lawrence, around Newfoundland and in the Arctic and it would be difficult to pro-rate capital costs on such a diverse spread.

SUPREME COURT OF CANADA JUDGES' SECRETARIES

Question No. 2,851—**Mr. Forrestall:**

1. For each year since 1969, what classification of secretary was provided to a Judge of the Supreme Court of Canada?

2. What was the pay range for such classifications?

3. Since 1969, what was (a) the increase in pay one year over the other, in percentage (b) the total increase in pay for such secretaries?

4. What was the total increase in pay of Judges of the Supreme Court of Canada since 1969?

5. Is the government aware of the salaries paid to secretaries to Judges of the Supreme Court of the United States and (a) if so, what is the present rate of pay (b) if not, for what reason?

Hon. Otto E. Lang (Minister of Justice): 1. ST-SEC 5 (formerly ST-8).

2.	Actual Period Involved	Pay Range
1969	October 1/68—October 1/69	$ 7,807—$ 8,579
1970	October 1/69—October 1/70	8,236— 9,051
1971	October 1/70—September 27/71	8,771— 9,639
1972	September 27/71—September 25/72	9,297— 10,217
1973	September 25/72—September 24/73	9,762— 10,728
1974	September 24/73—April 1/74	10,543 – 11,586
	April 1/74—December 2/74	11,043 – 12,086
1975	December 2/74 to date	11,871 – 12,992

3. Based on maximum of the range: (a)

Year	per cent Increase
1970	5.5
1971	6.5
1972	6.0
1973	5.0
1974	12.6
1975	7.5

(b) From October 1, 1969 to date—$4,413.

4. $26,000.

5. No. (a) Not applicable. (b) Salaries of secretaries to the judges of the Supreme Court of Canada, in common with those of all other secretaries in the Federal Public Service of Canada, are set in accordance with established government policy, which takes into account pay relativities outside the Public Service but within Canada only.

NATIVE HOUSING

Question No. 2,939—**Mr. Brisco:**

1. How many houses for Natives were built at Pine Point, NWT, in 1974?

2. How many houses (a) have been built (b) are being built (c) will be built in 1975?

3. In each case, what is the relevant cost per house?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. None.

2. (a) 20 houses were built in 1970. (b) None. (c) None.

3. The houses constructed in 1970 cost $26,000 each.

LANGUAGE OF CERTIFICATES OF CITIZENSHIP

Question No. 2,941—**Mr. Herbert:**

1. With reference to the answer to Question Nos. 907, 1,571, 2,326 and 2,493, does the Department of the Secretary of State record on its monthly listings of new citizens the language in which the applicant requested the certificate to be prepared?

2. Since January 1975, have the lists of new citizens with addresses in the Constituency of Vaudreuil indicated that those requesting certificates in English outnumbered those requesting certificates in French by more than six to one?

Hon. James Hugh Faulkner (Secretary of State): 1. Yes.

2. Yes.

* * *

QUESTION PASSED AS ORDER FOR RETURN

DEPARTMENT OF FINANCE TRAVEL EXPENDITURES

Question No. 716—**Mr. Stevens:**

1. In each fiscal year ending March 31, 1972, 1973 and 1974, and for the six month period ending September 30, 1974, what was the aggregate expenditure by the Department of Finance for travel abroad by (a) the Minister of Finance and his immediate staff (b) departmental staff (c) the staff of boards, commissions, tribunals, Crown corporations or other similar agencies reporting to the Minister (d) others whose expenses were paid in part or in whole directly or indirectly by the government?

2. In the case of an expenditure in excess of $200 (a) what was the purpose of the foreign trip (b) what was the furthest destination (c) what is the name of the person(s) who took the trip (d) how long was the person(s) outside the country (e) what was the nature of the expenditure (f) how many others were in the party making the trip?

Return tabled.

* * *

PRIVILEGE

MR. RODRIGUEZ—EXTENDED WARRANTIES ON CERTAIN AUTOMOBILES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege of which I have given the proper notice. Yesterday I asked the Minister of Consumer and Corporate Affairs (Mr. Ouellet) a straightforward and uncomplicated question. Since the Department of Consumer and Corporate Affairs had been aware of the existence of extended warranties on certain makes of automobiles and specific quality defects, and since the department had refused to inform the public of such hidden warranties, I asked the minister the following:

—can the minister inform the House why his department did not relay the information about these extended warranties to the public? Can he also tell us why Box 99 refused to inform consumers who specifically inquired about such warranties?

The minister proceeded to evade and obfuscate the issue by replying that I was mistaken in my statements, in that no letters were exchanged between his department and the car manufacturing companies on the matter. At no time in my question did I imply or otherwise state that correspondence between the car companies and his department were relative to my question.

The minister went on to say that officials of his department were trying to obtain extremely important information in favour of the consumer and that the moment the information was obtained he would be pleased to make it public. I countered that the information had already been provided to his department by the Automobile Protection Association. The minister refused again to answer my question because, according to him, it was, and I quote, "based on false premises".

My point of privilege arises out of the fact that proof exists that the Department of Consumer and Corporate Affairs and Box 99 were aware of existing hidden warranties. In fact, when the Automobile Protection Association—which, by the way, in a consumer protection group which operates with some assistance from the federal government—became aware of the existence of hidden warranties, Mr. Phil Edmonston of that association sent the material to Box 99 with a request that Box 99 provide the information to consumers asking for it. He released the information at the same time to the news media. This was back in mid-April; I think it was around April 15.

He then began to receive letters from consumers informing him that Box 99 was refusing to provide the necessary information on these warranties in order that the consumers might take action themselves in the small claims courts. At the same time, Mr. Edmonston was in constant contact with a Miss Mahoney and a Mr. Bourque, who staff the regional office of the federal Department of Consumer and Corporate Affairs in Montreal. On May 12, Mr. Edmonston drafted a letter to the Minister of Consumer and Corporate Affairs outlining the entire situation. Mr. Edmonston read that letter on the telephone to Miss Mahoney, who asked him not to send the letter but, rather, to give the department a few weeks in order not to endanger the goodwill basis under which these warranties were being extended, and also because there was some question of the legal position of the government with respect to releasing documents considered confidential by the automobile companies involved. Mr. Edmonston agreed to hold the letter.

After receiving no response from the department, Mr. Edmonston forwarded his letter to the minister. Mr. Edmonston later telephoned Mr. Lalancette, the minister's press attaché, who indicated that the letter had been received about mid-June. Indeed, Mr. Edmonston received and holds a letter signed by the Minister of Consumer and Corporate Affairs dated June 16 and received June 18 by the APA wherein the minister states that he received the APA letter on hidden warranties, that he was presently studying the problem with his department personnel and that he would communicate with Mr. Edmonston in the future. Furthermore, Mr. Edmonston telephoned the minister's executive assistant, Mr. Murray McBride, on July 22, 1975.

Mr. Broadbent: That explains it.

Mr. Rodriguez: Mr. McBride indicated he would return the call, but he has not yet done so. In my resumé I have

not mentioned the various news stories which have appeared on this matter. The minister said yesterday:

—the hon. member's question is based on false premises. That is why I have a negative reply a while ago.

This is either indicative of his ignorance of what is occurring in his department on this matter, or he is deliberately or inadvertently covering up the situation and misleading the House and the Canadian public. If Your Honour finds that I have a prima facie question of privilege, I would be prepared to move that this matter be referred to the Standing Committee on Privileges and Elections.

● (1550)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think what I said yesterday is still valid. In his first question yesterday, the hon. member for Nickel Belt (Mr. Rodriguez) referred to information the department already knew in April 1975 and to the fact that the department refused to inform the public. Those are two assertions I find wrong, and that is why, in my answer, I told the hon. member that his questions were based on false premises.

Concerning the substance of the question, my department is certainly following up on that matter intensively, and it is absolutely not in the consumers' interest that I make a statement at this stage. That would rather be likely to prejudice their ultimate interests and, finally, I find it inappropriate and unacceptable for Mr. Edmonston instead of coming directly to me to seek information, to go through a member of the opposition to try build up a tempest in a teacup.

[*English*]

Mr. Speaker: Order, please. It is evident that the hon. member for Nickel Belt (Mr. Rodriguez) and the minister disagree on facts or interpretation. This would seem to be a matter of debate rather than a question of privilege. The hon. member for Greenwood (Mr. Brewin).

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO ARGENTINA—REQUEST FOR DEBATE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I ask leave to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the fact that Atomic Energy of Canada Limited, an agency owned by the Government of Canada, has been supervising for more than a year the building of a nuclear reactor in Argentina even though the government has not yet finally negotiated safeguards intended to ensure that Argentina will not use the plutonium produced by the nuclear reactor for a nuclear explosion. There is an urgent need for this matter to be discussed in the House of Commons before parliament recesses and before any nuclear safeguard treaties are consummated.

Mr. Speaker: This is the third time this week that the same urgent matter has been proposed pursuant to Standing Order 26. I indicated yesterday that the door was open for further questions on the matter if events transpired which changed the nature of the matter for discussion, or proposed discussion, so that critical questions were involved. Nothing has changed the general nature of this matter since yesterday.

The suggestion of the hon. member which, it seems to me, is self-defeating in respect of this notice of motion, is that the project has been under supervision by the federal government for over a year. If it has been under supervision by the government for that length of time, certainly on the face of it it is a matter which fails to have such critical proportions as to require the immediate attention of the House or the setting aside of our normal hours for debate.

Finally, I must also note that the hon. member suggested that a factor involved is the impending adjournment or recess of the House, if that is in fact a reality, and therefore this is a matter which places before the House some problems of critical proportions. Surely the hon. member realizes that if I were to apply that standard to every matter of national importance put forward under that condition as a subject for debate under Standing Order 26, it would be a rather anomalous and difficult situation for the House to deal with. For those reasons, I feel that special time ought not to be set aside for this subject matter.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed, from Wednesday, July 23, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I believe it is very important, as we move on in this debate, to summarize exactly the position of the opposition on this excise bill.

An hon. Member: Be brief.

Mr. Rodriguez: This has nothing to do with being brief. Mr. Speaker, we have said this excise tax is a regressive tax. We have said this time and time again, and I do not mind repeating it because having been involved in education for some time I know how necessary it is to repeat something time and time again to children. It all depends on the level of the sensitivity they possess in listening, in participating and in decision-making.

Why have we said that this tax is a regressive tax? We have said it is a regressive tax because it hits hardest a particular segment of the population. It hits hardest the segment of the population for which this government does not provide an opportunity to handle the regressive nature of this tax. For example, it hits very hard those Canadians who work. They do not all work in urban centres; many work in rural areas. Many members of the House are aware of this type of constituent. These people are hit hardest because they must use their vehicles to get to work. It seems to me there is no provision in this bill for these individuals to claim a rebate of the money they spend on this excise tax.

The hon. member for Scarborough West (Mr. Martin) said the other day that one of the government's reasons for bringing in this excise tax was that when they were considering how best to compensate persons who live on the east coast of Canada, in terms of the price of petroleum, they considered that if they placed a tax on all citizens of Canada it would be discriminatory to those who live in urban centres and do not own a car; the people who fall into that category are mostly poor Canadians and they would be subsidizing those who own and drive automobiles. Surely that is not a very good argument for the purpose of this bill, because the government, through the income tax system, has a way to compensate poorer Canadians who do not own cars and who may have to subsidize other Canadians. Surely a system could be designed, through an income tax measure, to ensure that such Canadians would not, in effect, subsidize other Canadians who own cars.

For whom, in fact, does the government provide a rebate in respect of this tax? It provides it to doctors and lawyers when in the pursuit of their work. I suggest that the miners in my area are just as important to the nation as are doctors and lawyers. I have often heard it said that if we had fewer lawyers we would be further ahead. I hear a comment from the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) who is a lawyer. When I look around and see all the lawyers here, it seems to me there is a fraternity involved in preparing the laws of this country and therefore there might be a conflict of interest.

People in this country who live and work in areas such as mine, who must heat their homes for longer periods in the year, who must drive long distances to work, will be seriously hurt by this tax. I say it is an iniquitous tax. It is very unfair. That is the reason this party is fighting so vigorously against this juggernaut of a government that is trying to push through this measure. It seems to me that the income tax system ought to be used by a government to create equality of income in the society. The income tax system is a means by which we can try to remove some of the disparities that exist among Canadians. This kind of tax is regressive because in effect it does not do that; it makes the gap wider between those who have money, those who earn high salaries, and those who because of lack of ability or lack of opportunity earn less. It seems to me that in effect that is a good argument with which to condemn this bill as being iniquitous.

● (1600)

There is one other point I want to make. We have a country whose development was either deliberately planned around the automobile or it was allowed to develop in that way. This country is very large and we have developed, as a society, around the automobile. We are a very mobile society and we have let the automobile industry make us more and more dependent on the automobile as a mode of transportation. The people are hooked, they are wedded to that means of transportation. To realize this one only has to look at the various social outlets in our society. We have the drive-in theatre, the drive-in restaurant, the drive-in bank and even the drive-in church. We notice the developments on the outskirts of cities where large shopping plazas are built, and in those shopping plazas one finds miles and miles of parking space provided for the benefit of those who use their cars to get out of the city to do their shopping. It seems to me that I have never seen a shopping plaza which would provide the opportunity for a public transit system, for buses to come right to the doorstep of the plaza. These plazas are self-contained and surrounded by huge parking lots, all in the process of encouraging the use of automobiles by the Canadian public.

Once having wedded the Canadian people to the automobile, the government moves in with taxes such as this one to suddenly try to persuade Canadians that they should not use automobiles for travel but, rather, should use the public transit system. We have pointed out time and time again that it seems the horse is being put before the cart. The government does not provide many of our small and medium-sized cities with funds with which to build fast, efficient and economic transit systems. I have pointed out that, in effect, by not doing so the government is deliberately creating a problem for many working Canadians without giving them the opportunity to solve the problem in a way in which the government finds acceptable, namely, public transit which is fast, efficient and economical. I believe the government should be condemned for that.

I sat around last summer listening to all the great speeches made during the election campaign when the government promised funds for municipal governments to provide public transit systems. The government has put on this excise tax without having first provided communities with the opportunity of establishing a transit system. This is the case in Sudbury and the surrounding areas.

It seems to me that this bill stinks, and I say that for very good reason. Indeed, the Minister of Transport (Mr. Marchand) has said transportation is in a mess. When we start talking about public transit systems, it is rather interesting to note that we have embarked upon this kind of regressive taxation. For example, at present there is no passenger car on order by either the CNR or the CPR. The cars run by these two companies are decrepit and inadequate for a passenger service, yet not one passenger car is on order with any manufacturing company in North America.

It seems to me that the CNR is the only state-owned and operated railroad company in the world that has no railway cars ordered for the coming year. As I understand it, it will shortly be drawing up its winter schedule and more than likely will be cutting back its passenger service. Indeed, the passenger service between Sudbury and

Toronto, for example, will be cut down to three days a week from seven days a week.

This kind of measure is regressive and cuts down whatever little public transit service we have at the moment. As a matter of fact, the railway companies submitted a report last December but they have received no acknowledgement from the Department of Transport. In that report the companies outlined the financial straits in which they find themselves with regard to their passenger services. The CNR says to the public—they have said it to people who have telephoned me about it—that when the public complains about lack of service, they should phone their MPs or write to the Department of Transport. But the Department of Transport keeps telling the railways to maintain the status quo. The railway companies cannot even do that.

The government says that this tax is a method of energy conservation. It does not even come close to that. I think it is absolutely phony for anyone in the government to say that this kind of excise tax is a conservation method. We have only to look at the actions of the government in the last few months: recently we noted that the government was prepared to go ahead with the Pickering airport. Why are we pushing people toward using airplanes when we sadly need rail transportation to move people between cities and within cities?

My own city of Sudbury is in the centre of a number of communities with populations of 5,000, 16,000, 10,000 and 3,000. The major railway companies have their rail lines running through the small towns and into the city. Almost everybody in Falconbridge walks; they are not using those rail lines. No funds are being made available for setting up a transit system allowing people from the outlying communities to travel to the city. This government says it is prepared now to spend $180 million on parking facilities for terminal 2 in Toronto. Is that the new emphasis? Will that conserve energy? As a matter of fact, it has been proved that airlines operating within a distance of 500 miles cannot make money on those routes, that the distance is too short in terms of the fuel required for the plane to take off and land.

We have the example of STOL between Ottawa and Montreal. How does that service conserve energy? The CNR introduced the Turbo last January to run between Montreal and Ottawa. What have the STOL people been doing? They have asked CN not to advertise their service between Ottawa and Montreal. What has the government done? It has forced all its bureaucrats, its aparatchiks, to travel from Ottawa to Montreal on STOL aircraft. I do not see how that could be part of the total strategy about which the government was talking last July when they were campaigning about providing an efficient interurban transportation system at reasonable cost. The minister said in his latest report on transportation that they would prefer to give everybody free bus tickets if they would fly; they could ride the buses free. Of course, he would like that.

● (1610)

Who pays for the roads, the expressways and the bus terminals? Certainly the federal government does not have to spend its funds on that kind of transportation. As a matter of fact, railway companies receive no indirect subsidies for inspection and maintenance of the rails, no indirect subsidies for building and maintaining terminals. This government does not want people riding the rails; they want them on airplanes, which is one of the most inefficient ways of moving people over short distances.

I do not know what the government has in mind when it talks about transportation, other than the iniquitous kind of excise tax proposed in this bill. Governments in Europe and the United States are not putting money into the development of air travel. That is a thing of the past. It is far too costly and certainly does not conserve energy. They are putting money into rail transportation and are moving away from airlines. We are pushing people on to airlines. We know that Air Canada lost $19 million last year on its Toronto-Ottawa-Montreal service. It has been proven that to transport people by air for less than 500 miles is uneconomical, and any government which follows that pattern is following madness.

The government says it is interested in the conservation of energy. This excise tax bill will not achieve conservation. There is no strategy, no opportunity for medium-sized communities to obtain funds with which to build rapid transit systems. The Pickering airport proposal is absolute madness and will only encourage greater density of population in an already rapidly expanding area. To put it in an area of fertile farmland is also madness. If the government is talking about conservation, then their decisions should follow some sort of conservation pattern. It seems to me there is a move afoot to force railway companies to raise their fares just so the airlines can increase theirs. I expect that the airlines will shortly announce an increase.

This excise tax bill is also iniquitous because it creates hardships for working Canadians in Nickel Belt and areas like it. Right across the country we have strikes and contracts presently being negotiated through the collective bargaining process. This government uses the working class people of this country for their own purposes. They run around seeking consensus from employers and employees. Does this ten cents per gallon excise tax reassure the working class that they ought to reconsider their demands? The government has promoted the idea, which has been carried by the press, that the Canadian Union of Postal Workers' request for a 71 per cent increase is exorbitant. But 71 per cent of what, Mr. Speaker? We have to think what such percentages are based on.

In my constituency, the United Steelworkers of America have just signed a new contract. When they started negotiating six or eight months ago there was no thought of a ten-cent excise tax, so they negotiated in good faith for what they felt was an increase in the cost of living and something more for their productivity. They had no sooner signed the contract than the ten cents per gallon excise tax on gasoline was announced.

I cannot understand why the government does not realize the effects of this tax. Several members from my part of the country on that side and many from areas like mine are experiencing great difficulty with this excise tax. In northern Ontario we experience differentials in cost between other parts of Ontario on just about everything. Living so far north, we have to pay a great deal more for

food, homes and buildings. This excise tax hits us in a very discriminatory fashion. We not only have to pay for the discrepancy in prices between our part of the province and others, but we have to put up with other actions by this government which can only be described as iniquitous.

We can think of the people in Elliot Lake, for instance, who risk their lives in the mines. I do not think any member of parliament would like that experience; there is nothing enjoyable about it. These people, who do so much for the productivity of the country, are the first to feel the brunt of this kind of tax. If this government were worth its salt, it would remove this iniquitous tax and go home for a holiday. We are quite prepared to stay here, however. The moose season in Nickel Belt opens on October 15.

An hon. Member: When is the bull season?

Mr. Rodriguez: The hon. member for St. Catharines (Mr. Parent) is worried about going fishing in the Welland Canal, but he might as well forget about it; he is going to be here for a while. The moose season and December 25 will come along, but if this government had any courage at all surely its backbenchers would be putting pressure on the Minister of Finance (Mr. Turner) to withdraw this bill. He is holding up the holidays and creating hardship for many constituents.

My party was opposed to the measure when it was announced on the night of the budget, and we stand opposed to it now. As the representative of the people of Nickel Belt, it would not inconvenience me if this House continues to sit. The inconvenience caused by this ten cents excise tax is greater for my constituents than for me to stay here through the summer and give up two months of sunshine. I am prepared to stand in this House and continue with this bill until the government withdraws it.

If the backbenchers on the Liberal side would show some courage, we might get some action. They do not have to feel they are parting company with their minister; they would be acting in the best interests of their constituents, and it is important they remember that. People sometimes believe they can do these things between elections and the people will forget about them. I hope to be around when the next election is called, to remind the people that the Liberal Party instituted this excise tax. I repeat, I am prepared to stay here all summer, all fall and all winter until this government—

● (1620)

An hon. Member: The hon. member is holding up the bill.

Mr. Rodriguez: Yes, I know the hon. member wants to go away on holidays. He made a down payment on a trailer and wants to go on a trip. But I am prepared to stay here all fall and all winter. I want to keep the government's frontbenchers sitting in this House. The hon. lady opposite can forget her fishing trip. As I said, my constituents will be inconvenienced far more by this tax than I shall by staying here, if I must, through the heat of the summer. I tell you, I am prepared to stay here.

An hon. Member: Yes, and holiday in the winter.

[Mr. Rodriguez.]

Mr. Rodriguez: The hon. member can speak on the bill. If the hon. member for Vancouver-Kingsway (Mrs. Holt) opposes the bill, let her stand up and tell her constituents she opposes this excise tax. My party will stay here and fight this excise tax bill right down to the wire. I hear hon. members commenting. I know that the hon. member for Vancouver-Kingsway is prepared to stay here. If she opposes this bill, why does she not rise and say so—put her remarks on the record? As I say, I am prepared to stay here all summer debating this bill or until such time as the government is prepared either to withdraw it or hoist it—put it off until 1999. That is the only fair way to deal with this kind of measure.

In closing, I urge hon. members to consider seriously putting pressure on the Minister of Finance to withdraw this bill.

Some hon. Members: Question.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, the other night I said I wanted to say something more on this bill. As the House did not see fit to extend my time, I am pleased to take the opportunity today of adding to what I have said.

Mr. Boulanger: Don't say what you said the other day.

Mr. Benjamin: I have news for the hon. member. I hope he will listen as carefully as he listened the other evening; I hope my remarks will influence his views on this legislation. Surely the Minister of Finance (Mr. Turner) by now is totally convinced that this is the wrong way to raise the revenue which we agree he needs to meet the cost of the oil compensation fund. Surely speeches from all sides of the House have convinced him that he should use some other method to raise the $350 million for this year and the $525 million he will need next year and years thereafter. He should use some other way which is fairer to Canadians in all walks of life.

The other night I made four alternate proposals. I suggested that the minister could levy more income tax from individuals, more from corporations, combine greater individual with greater corporation taxes, or he could impose a surcharge on individual income tax, a surcharge on corporate taxes, or a combination of both taxes. My final alternative was one which nobody else mentioned, a modestly low interest rate on deferred taxes. As of March 31 last, there was owing on the books of this country over $7 billion in deferred taxes. If the minister were to access 7.5 per cent on those deferred taxes, he could collect more than the $525 million he needs. That is a lower rate of interest than you can obtain for a house mortgage, an automobile loan or a consumer loan. In that way he could raise the revenue which the House agrees he needs.

The government is to impose a ten-cent tax per gallon on gasoline and the oil companies will charge another five cents a gallon, or more, when they increase prices. After the gasoline has gone through the hands of the wholesalers, bulk retailers and others it will cost between 18 and 22 cents per gallon more. That price is unfair and will impose a burden on people who can least afford it. Further, those who can afford the tax will be entitled to rebates. I appeal to hon. members opposite, in the name of fairmindedness, not to allow the bill to pass. It is intrinsi-

cally unfair because it provides rebates for those most able to pay the tax, but none for those least able to pay.

The minister wants to induce people not to use the car, and to use other modes of transportation. Our society is wedded to the automobile as its primary mode of transportation. Other countries which tried to discourage automobile travel with high gasoline prices did not succeed. Such policies are not effective. True, there may be a modest diversion away from the automobile in favour of the bus or train. But our intercity and urban transit systems are totally inadequate. To compound the felony, although the minister says he wants more people to use other modes of transportation, and thereby tries to justify this excise tax, the budget cut the funds available to the Minister of Transport (Mr. Marchand). That shows how absurd the budget is and how absurd this bill is.

If the minister really wants people to use modes of transportation other than the car, and really wants us to conserve energy, he should bring in a budget which provides for massive funding, through the Department of Transport, of intercity and urban transport facilities. There should be massive funding in the next five years, involving the Ministry of Transport and aid to provinces, cities and municipalities. But the budget did no such thing.

The Minister of Transport's policy proposal announcement referred specifically, I think, to the Windsor-Quebec City corridor. If the Minister of Transport and the Minister of Finance were serious, they would introduce a budget and subsequent legislation providing for hundreds of millions of dollars to be spent on light, rapid and comfortable—LRC—rail service linking the Detroit River, Quebec City and other heavily populated areas of the country. But the budget does not provide for this. How can the minister expect the people to respond voluntarily, or feel it is worth while using other modes of transportation, when those other modes charge fares which in most cases are unreasonably high?

Really, what has the minister done to persuade people not to use their automobiles, or to get rid of their second or third car and not use a car for so many pleasure trips or so many trips downtown? I thought there would have been proposals in the budget or in subsequent statements or legislation for not only massive aid for urban or interurban transportation, but a system of fares and rates as well as the integration of various modes of transportation, such as rail, subway and bus. I thought there would be a fare structure that would encourage people to use other modes of transportation.

● (1630)

In last year's election campaign and in statements prior to that, Liberal Party spokesmen pledged that if re-elected they would establish a passenger corporation. That has been quietly shelved and forgotten since July 8, 1974. There was nothing in the budget and we have not heard anything from the Minister of Transport about a national passenger corporation. During the election campaign, the Prime Minister (Mr. Trudeau), the Minister of Transport and others said they would either take over or require Canadian National, Canadian Pacific and other passenger carrying operations to provide much better passenger service to the public of this country. That has been forgotten.

There was a pledge for massive aid for intercity and urban transit. We have not seen a nickel. The Minister of Finance says that if we increase the price of gasoline by another 20 cents a gallon, the Canadian people will be encouraged to use other modes of transportation. However, those other modes are not there in sufficient quantity or quality. I do not think this parliament should stand for the kinds of anomalies and absurdities arising out of the budget.

Speakers on both sides have pointed out how the Minister of Finance can raise the required revenue in a much fairer manner that would not hurt those who can least afford it. Surely that is an objective of members of all parties. It would not be the first time in the history of this or other parliaments that a minister of finance has accepted the views of members of all parties and has either changed or substituted legislation. We had an example of this today. Although it was a matter of privilege, as a result of the representations of members on both sides of this House last winter, the minister made a significant change in his tax proposals.

It would be no disgrace to the minister, his advisers or the government if they accepted the views expressed not only by members of parliament, but by the public at large. In fact, it would be to their credit; it would show they are big enough to change their minds and bring in a measure to raise the required money in a manner different from that proposed in Bill C-66.

The Canadian Automobile Association recognizes the need for energy conservation. It recognizes that more will have to be done about the quality and quantity of other modes of transportation. This should be readily accessible, with reasonable fares, for a much larger number of people in this country. In fact, this was pointed out in a submission which was mailed to all members. Coming from a source like that, it should be sufficient to convince the Minister of Finance and the government that the method proposed in Bill C-66 is not the one to follow to raise the revenue required for the oil compensation fund. I have been very saddened since yesterday to note that friends to my right have caved in again.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. That statement is entirely incorrect. This party put up some 30 speakers who in short, sharp, concise speeches challenged the right of the government in connection with this tax, while the NDP was sitting on its collective seat. We are now waiting for committee of the whole stage where we can challenge individual clauses, as is our parliamentary right.

Mr. Benjamin: Mr. Speaker, the hon. member for Peace River (Mr. Baldwin) was good enough to help me use up some more time. I will consider that as another contribution to try to persuade the government not to proceed with this legislation. He told us that some 30 Conservative members participated. What happened to the other 67? Why have there not been 97 speeches from the official opposition on this bill? Where are the others? Are they more interested in fishing trips and laying around the backyard than in the public of this country? We have

managed to marshall 15 or 16 speeches out of 16 NDP members, and I can assure the House and the hon. member for Peace River that we will be able to marshall more. However, over 60 Tories have not yet said a word.

Mr. Baldwin: Our members do not have to be marshalled; they do it voluntarily.

Mr. Benjamin: It is bad enough when some Liberal members get up and object and then vote for a bill.

An hon. Member: Be quiet; I want to read my newspaper.

Mr. Benjamin: The official opposition objected, and now they have chickened out. They sit around the lobby wondering when we will get home for a holiday, when we will get out of here.

Mr. Mazankowski: What a hypocrite. You cannot say that with a straight face.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member, but I must ask that he direct his remarks to the bill. The hon. member should follow the rule of relevancy and speak to the subject matter of the bill.

Mr. Benjamin: Thank you, Mr. Speaker. It may have only been a delusion, but I thought that my reference to the performance of the official opposition in the past 30 hours, and what it is likely to be in the next 30, might have encouraged them to take another look at their position and, if necessary, stay here for the rest of the summer in an effort to persuade this government to change its mind on the method of raising the $525 million. I may have been out of order in expressing those remarks, but I thought they were germane to the matter of an iniquitous gasoline tax. I will leave it at that and try not to get into any more arguments with friends to my right. They can explain to their constituents why they allowed this legislation to pass so readily.

Mr. Hnatyshyn: We have fought it every bit as hard as you.

Mr. Benjamin: I will apologize to hon. members to my right if in committee of the whole they all get up and speak on every clause of this bill. If another 60 speak on third reading, I assure them we will make all the speeches we can.

Mr. Stanfield: You run your show and we will run ours.

● (1640)

Mr. Benjamin: The Leader of the Opposition (Mr. Stanfield) says they will run their show and we can run ours. I wish they would run a show. I wish they would put on a show, a serious effort.

Mrs. Holt: You would be a lousy actor.

Mr. Broadbent: Back to the curtains, Simma.

[Mr. Benjamin.]

Mr. Benjamin: This excise tax on gasoline applies to personal use only. What the minister forgets is that much of this personal use is from necessity. People have no other choice than to use their cars, whether it is an old age pensioner going to buy groceries, or a worker who has no alternative—

Mrs. Holt: Same old NDP line.

Mr. Benjamin: —but to use his car to drive to work. The minister counts this as personal use. This is unfair, because people in other segments of our society are entitled to rebates with respect to the use of their cars to drive to work. I do not know of any doctor or lawyer who takes a bus. They drive their cars and they are entitled to rebates. But the worker is not so entitled. Is this reasonable? Is it just?

This ten cents a gallon increase—it will eventually amount to 20 cents—will take away all the tax credit which taxpayers have been allowed over the past year or year and a half. It might take more. It will negate any future rebates to which they are entitled—$150 or $175, whatever it might be for 1976. Is this a proper manner in which to raise half a billion dollars, especially when there are nine or ten other ways in which it might be more fittingly done, ways which would be more readily accepted not only by this House but by the public generally? Surely the government will agree to scrap this legislation—

An hon. Member: Never!

Mr. Benjamin: —and devise a new way of raising the money. If they liked, they could call us back in a couple of weeks and we could pass the legislation in a few days. Or it could be the first item of business when the House returns. We could deal with it and pass it quickly. I, for one, would give a personal commitment not to delay it—not even to speak on it except perhaps to say a word or two of congratulation.

An hon. Member: You told us that when the pay raise came forward, too.

Mr. Benjamin: Why use this method when there are so many others available? What idiot convinced the Minister of Finance and the Minister of National Revenue (Mr. Basford) that this was the best way to raise the money? Whoever accepted it must realize by now that he accepted bad advice and that the government is using a bad method. Surely ministers opposite can come back to the House with alternative legislation to accomplish the same end, a bill which would have the support of the House and of the people across the country.

Mr. Gordon Towers (Red Deer): Mr. Speaker, while waiting to speak in this debate, a debate we should not be dealing with at the present time, I could not help but listen for a few moments to the severe case of verbal diarrhoea with which the hon. member for Regina-Lake Centre (Mr. Benjamin) appears to have become involved. It would also appear that after you have run a substance through a manure spreader so many times, it does not have that much relevancy.

Mr. Benjamin: Just leave your policy out of it.

Mr. Towers: Nevertheless, I should inform the hon. member that any speech from the Tory Party is always worth three or four from the NDP.

Some hon. Members: Hear, hear!

Mr. Towers: So when he takes that into consideration we are very far ahead of them in this debate. I have been quite interested in listening to the debate. For instance, the hon. member for Skeena (Mrs. Campagnolo) took an active part in it the other night. In referring to the hon. member for Skeena who came to the aid of the Minister of Finance (Mr. Turner) as the sky was falling in on him and his empire was collapsing, we on this side were immediately aware of a romantic atmosphere created by that speech. It was noticeable that this romanticism gave an automatic lift to the Minister of Finance on to what is often referred to as cloud nine. While witnessing this I was reminded of a poem by Walter Scott:

O young Lochinvar is come out of the west
Through all the wide border his steed was the best
So faithful in love, so dauntless in war

To put it in other words:

From the west the member for Skeena did barge
Saying ten cents a gallon is an acceptable charge
She supported the minister, regardless of cost
The voters in Skeena now really are lost
Her romantic performance was all on her own
Will 1978 see her topple from that throne?
There ne'er was a knight like the young Lochinvar.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is worthy of Mark Rose.

Mr. Towers: Mr. Speaker, I am reminded of the poem about Julius Caesar when Anthony was speaking and he said: "I come to bury Caesar, not to praise him". I would suggest that I have come here to do neither one, certainly not to praise him for bringing in this legislation, and I would hope not to bury him because I have a tremendous fear that he is probably the best Minister of Finance the government has to offer. If we lost him it is hard to say exactly whom we would get. The others would be worse.

When I listened to his speech on the budget I was reminded of a comic I had read. It is Blondie and Dagwood. Dagwood said, "Blondie, we've got to start making sacrifices to save money." Blondie said, "You're right. From now on I'll give up my helicopter flying lessons". Dagwood says, "You never took helicopter flying lessons." But Blondie says, "See, I am saving us money already". This is what the Minister of Finance is doing when he is cutting back a billion dollars from his budget. This is a billion dollars he did not really know where he was cutting it back from, but he was cutting it back. One of the ironical parts of it all is the fact that if the time does come when that minister is no longer the Minister of Finance, he will no doubt be able to write a comic strip, and if members opposite find themselves without a minister of finance they can always get a comic writer to write them a budget.

Mr. Knowles (Winnipeg North Centre): So what's new?

Mr. Towers: This legislation is far too serious to joke about. It is really a serious matter when you consider what it is going to cost the Canadian consumer to finance this tax. We on this side intend to propose an amendment at the proper time and place, and I hope the Minister of Finance, along with his parliamentary secretary, will give it due consideration.

There were 326,804,000 gallons of dyed gasoline sold in Canada in 1973. To be processed through the system, the consumers will have to pay the tax and then file for reimbursement if eligible. This means that a tremendous cost burden will be placed on the economy of this country. I asked a question in the House of Commons of the Minister of Finance having to do with whether the financial system could bear this extra load. As reported at page 7164 of *Hansard* for July 2, I asked the minister:

● (1650)

Has provision been made in the money supply for the extra cash flow requirements of dealers and consumers for the ten cents a gallon gasoline tax or will there be a resulting shortfall in the cash requirements of other sectors of our economy?

The Minister of Finance replied:

Mr. Speaker, it is hard to be precise and brief in the question period on that particular question.

Then I asked this supplementary question:

Can the minister tell this House what the inflationary factor would amount to as a result of the ten cents per gallon tax on gasoline, not only of the tax itself, but also its administration and the extra costing of cash flow requirements to the distributing and consuming public?

It seems to me a senseless exercise for the manufacturers to collect this tax from the bulk dealers and for the bulk dealers in turn to collect it from the consumers. Some $32,680,000 will be required per year to finance this tax in one way or another. If this cash flow turns over more quickly, say three months or so, I suggest it could be cut down, but it will certainly put a heavy strain on the economy of this country. This turnover of cash does not mean that the government will have extra money, in fact, it is going to cost the government money to handle collection of the tax and to rebate the same.

I hope that when the time comes to make an amendment, the Minister of Finance or his parliamentary secretary will give this matter serious consideration. The four western provinces and Nova Scotia and Prince Edward Island have dyed gas, and if this question receives due consideration it will alleviate much of the problem of rebates in the rural parts of the country.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I found the point made by the Conservative member who has just resumed his seat a very good one, but I am amazed that he only spent about five minutes on it. If he is so concerned about the unfairness of this tax, he should have carried on for his allotted 40 minutes. But as my hon. friend from Regina-Lake Centre (Mr. Benjamin) said earlier, the Conservatives are really not serious about fighting this most unfair and discriminatory ten cents a gallon gasoline tax on behalf of the consumers of this country.

Members of parliament have received many letters and complaints from their constituents about this ten cents tax on gasoline, provision for which is made in the current

budget bill now before the House. The reasons the Minister of Finance (Mr. Turner) and his cohorts in the Liberal Party put forward to explain and to justify this tax are just incredible.

Yesterday I was interested to hear the hon. member for Vancouver-Kingsway (Mrs. Holt) ask the President of the Treasury Board (Mr. Chrétien) during the question period whether, since it was costing some $200,000 a day to keep the House in operation, it would be advisable to show the Canadian people what was happening to their tax dollars, the implication quite clearly being that the hon. member would prefer some kind of closure or, to take her logic to its ultimate conclusion, some kind of dictatorship which would mean that no resistance of any sort would be offered by the opposition in this House.

We are elected by our constituents to stand in this chamber and voice their opinions and criticisms of the government, and that is what we intend to do. Certainly those of us in the New Democratic Party will continue to do this even if we have to sit here through the long, hot summer until we pound some sense into this government. I hear a plaintive voice from the backbenches of the Liberal Party.

Mr. Benjamin: Sounds more like a whine to me.

Mr. Symes: It is the hon. member for Vancouver-Kingsway. I wish she would rise in her place after I have spoken and give us a rational defence, if that is possible, of this unjust and unfair tax. I should like to hear some sound arguments from that side of the House, but I have not heard any today. The argument that the Minister of Finance uses, when you get right down to it, is ludicrous. He says there are two reasons for this bill. One is that the government is running short of money with which to make the oil compensation payments to the multinational oil companies who got us into this mess in the first place. Secondly, he said this tax will discourage the use of gasoline and hence bring about conservation.

May I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack); Criminal Code—Proposed increase in penalties for extortion—Government position; the hon. member for Broadview (Mr. Gilbert); Public Works—Request for change in regulations to permit people in northern areas to rent premises owned by department; the hon. member for Surrey-White Rock (Mr. Friesen); Royal Canadian Mounted Police—Alleged reduction in expenditures for force—Minister's position.

[Mr. Symes.]

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

ROUTINE PROCEEDINGS

[*English*]

CANADA ELECTIONS ACT

BILLS REMOVED FROM ORDER PAPER AND SUBJECT MATTERS THEREOF REFERRED TO COMMITTEE

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with unanimous consent I move:

That Bills C-213, C-222, C-232, C-279, C-287, C-290, C-292, C-304, C-307, C-336, C-362, C-389 and C-405 be withdrawn, their orders be discharged from the order paper and that the subject matter of these bills be referred to the Standing Committee on Privileges and Elections.

● (1700)

Mr. Knowles (Winnipeg North Centre): We will agree to this proposal. I was hoping that the hon. member who moved it might tell us whether he has any inside information as to what will happen when we get to committee.

Mr. Deputy Speaker: Hon. members have heard the suggestion. Is it agreed that such an order be made and that the subject matter of such bills be referred to the Standing Committee on Privileges and Elections?

Some hon. Members: Agreed.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

PRIVATE BILLS

ALLIANCE SECURITY & INVESTIGATION, LTD.

Mr. J.-J. Blais (Nipissing) moved that Bill S-26, respecting Alliance Security & Investigation, Ltd., as reported (with amendments) from the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Some hon. Members: Agreed.

Motion agreed to.

Mr. Blais moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, I think there is a procedural matter involved. I ask the unanimous consent of the House to revert to motions.

Mr. Deputy Speaker: The hon. member for Saint-Henri is asking that the House unanimously consent to revert to motions to allow him to move concurrence of the fifth report of the committee. Is it agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

CONCURRENCE IN THE 5TH REPORT OF COMMITTEE

Mr. Gérard Loiselle (Saint-Henri) moved that the fifth report of the Standing Committee on Miscellaneous Private Bills and Standing Orders, presented to the House earlier today, be concurred in.

Motion agreed to.

PRIVATE BILLS

[*English*]

ROYAL CANADIAN LEGION

Mr. Lloyd Francis (Ottawa West) moved that Bill S-28, respecting the Royal Canadian Legion, be read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I propose that the bill be read a second time, be referred to a committee of the whole and that we agree to expedite its passage. It is a very simple bill. The committee cannot meet and report back until some time late in the fall, and I thought it would expedite the passage of the bill and meet the wishes of the House if I moved the following:

That the motion be amended by deleting therefrom all the words after the word "referred" and substituting therefor the following words:

"to a committee of the whole House."

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

Some hon. Members: Agreed.

Amendment (Mr. Lambert, Edmonton West) agreed to.

Mr. Francis: Mr. Speaker, I have the honour of introducing Bill S-28 respecting the Royal Canadian Legion. It was introduced in the other place by Senator Carter and has been studied by the standing committee of the Senate on health, welfare and science. Hon. members who are interested in the proceedings may wish to look at the minutes of that committee of July 17, a copy of which I have in my hand.

This year is the fiftieth anniversary of the Legion in Canada. Following World War I it came into existence to serve the needs of those veterans who felt that such a fraternal and benevolent organization was absolutely essential. It received a very substantial infusion of new members following World War II. However, at this stage the Legion is operating with an antiquated charter which is something like 50 years old. This bill updates a number of its provisions.

Today the Legion continues to expand its membership, but its members know that its base of those who actually served in the armed forces of Canada throughout the country is a diminishing base in numbers. The Legion has amended its provisions. It admits to membership the sons and daughters of those who served. It has to think of the future; it has to look at the changes which can reasonably be anticipated in the period ahead.

The purpose of this bill is to make changes which will have the effect of clarifying and updating the provisions governing the revocation of branch charters, the dissolution of Legion branches and the disposition of the property of branches. It is intended to bring about modern procedures of property management and review to make sure that both the old members and the new members are served, and that there are no circumstances in which contracts could be entered into which were not the most wise in the circumstances, or dispositions of property which may not be in the interests of the Legion.

I am confident that hon. members who have any questions on this matter will find that the examination of witnesses before the committee of the other place was exhaustive and that any questions in the minds of hon. members would be answered. I hope that by unanimous consent it will be possible to proceed today in committee of the whole, as was indicated by the motion moved by the hon. member for Edmonton West (Mr. Lambert), and to third reading in anticipation that perhaps this House might be adjourning in the not too distant future.

Motion agreed to, bill read the second time, considered in committee and reported.

● (1710)

Mr. Francis moved that the bill be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as a member who has been interested in the affairs of the Legion for a considerable period of time, I am pleased and gratified that the House has taken what I consider to be a very unusual step. First, the bill was late and received consideration by the other place almost by leave. Then it received special consideration by this House, which is not now as dominated by veterans as previously was the case.

I should like to compliment the Legion on the effort it has made to deal with some of the problems that have developed in respect of ownership and management of property. As the members of the Legion have changed, the whole idea of the Legion has changed. Members will agree that veterans who served in World War I are now beyond

the age where in the main they take an active part in the operations of the Legion. Veterans who served in World War II are now in their fifties.

An effort has been made to build up this very bona fide organization not only so that it might serve the veterans themselves but also to serve the communities throughout Canada in which Legion branches are situated. It has been recognized that there could develop a very serious situation unless the Legion could be operated as a service organization in which not only veterans participate but also the sons and daughters of veterans and interested citizens in the community.

I am sure the fact that a new structure has been arrived at has caused a great deal of soul-searching. However, it is my pleasure that the members of this House have made extraordinary concessions in order to allow this bill to pass and to allow the Legion in a new form to continue its function in various communities. I think the Legion deserves the support of all the Canadian people. The program outlined at the last Dominion convention is an extensive one which involves many changes. This bill relates only to some of the changes. Members of parliament are to be congratulated for their understanding of the problems that have developed and for the support they are now giving for the new direction the Royal Canadian Legion is following in Canada.

Motion agreed to and bill read the third time and passed.

Some hon. Members: Six o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

At 5.20 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the second time and referred to committee of the whole.

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, shortly before five o'clock I began to speak on Bill C-66, the iniquitous bill proposed by the Liberal government to impose a ten cents a gallon gasoline tax on consumers. We in the NDP oppose this legislation on the grounds that we find it unjust and discriminatory.

I should like to examine the arguments of the Minister of Finance (Mr. Turner) whereby he attempts to justify this piece of legislation, and to show that many of the arguments that he puts forward rest on a false premise and, for these reasons the bill should be rejected.

The government has found itself in the position of having to raise some $500 million over the next year to make up for a deficit in the compensation payments paid to the oil companies in eastern Canada in order to keep the price of oil in Canada below the international world price. At present the price of oil in this country is $6.50 a barrel. On August 15 it will rise to $8.50 a barrel. That is still below the international price, which ranges between $11 and $12 a barrel.

Because of the government's lack of a national energy policy, because the government has allowed multinational oil companies to move into Canada and develop this vital resource, we find that the companies' designed oil exploration and oil supply system will benefit them, not only in the short run but in the long run. These companies moved into western Canada once they found oil in the early 1950's, and then argued that because there was so much oil on hand they had to export it in order to raise enough revenue to continue exploring for more oil in the prairie region.

They could have exported this oil out of Alberta into eastern Canada if they had built a pipeline, but it was far easier and more to the advantage of these oil companies, which were subsidaries of American parent companies, to export the oil to the United States. Because we did not have a pipe line built from western to eastern Canada, when the day came that international oil prices rose we found that eastern Canada, which depended on oil from Venezuela and the Middle East, was going to be forced to pay the high world price.

In the minority parliament, the twenty-ninth parliament, we in this party argued that it was completely unfair that consumers in eastern Canada should be paying a higher price than consumers in western Canada. We said that what the government should do, because the United States was paying the world price for oil, was to impose an export tax on western Canadian oil being shipped to the United States. It was this export tax that gave the government enough surplus revenue to compensate the oil companies in eastern Canada and keep the price of oil across this nation below the world price. That worked quite well.

We were able to keep the price of oil in Canada at $6.50 a barrel for over a year and a half. But at the same time the government, at the urging of the NDP, began to undertake through the National Energy Board an independent analysis of the supply of oil on hand in this country, and the National Energy Board came out with a report last year which showed that we would be running short of oil by the early 1980's. Hence the government had to cut back on its oil exports to the United States, and as a result the money from the export tax declined. Therefore the government has to raise money to continue the compensation payments to eastern Canada. By this method it is hoped to keep the price across the nation as of August 15 at $8 a barrel. So we have a problem.

The government needs about $500 million in the current year to continue the compensation payments. So why then does the government choose the option of a ten cents a gallon gasoline tax? I think it is indicative of the predica-

ment in which the Liberal government finds itself because it relies so heavily on the multinational oil companies to find new oil for this nation.

I have just pointed out that we will be running short by 1980. Because we do not have an industry that is controlled in Canada and, more important, a publicly owned industry owned by the people of Canada through their government, the Liberal government must rely on the oil industry, which is 90 per cent foreign controlled, to do the exploration to develop the oil resources in this country. As a result it has been boxed into a corner from which it does not dare tax the oil companies or amend the taxation laws that give so many concessions to these oil companies. Faced with the problem of raising revenue it can only turn to the individual consumer and make him pay for its misguided policies over the past decade.

The oil companies in fact are threatening to go on strike against the Canadian people. They are saying that if the government through its budgets does not give them further concessions—and the minister did eventually bow to their demands to give them 100 per cent oil exploration write-offs and other kinds of tax concessions—they would not continue to look for oil in this country.

If there is ever an example of corporate irresponsibility and an example to justify public ownership in resource industries, this is it, because if we bow to the demands of the oil companies in this country we will be continually at their mercy as seen by the kind of policy that they develop which divides the country in half, makes one half dependent on high price oil imports, and hence puts us in the position of seeing our price for oil in Canada rise to international levels. It is ridiculous when we consider the amount of oil reserves in this country. We should not be in the position of France, and some of the other European countries, of having to pay high international prices.

● (2010)

The Liberals have nowhere to go because they do not dare challenge their corporate friends in the oil industry, and because they are not serious about setting up a viable national petroleum company. Of course one is on the books. It had a modest capitalization of $500 million, but in the last budget the Minister of Finance reduced that to $100 million. That company is turning out to be a joke, a public relations gimmick to make the Canadian people think the government is doing something to buy back the oil industry, or even to find oil.

Faced with the option of telling the oil companies they have made so much profit from the Canadian consumer in the past that they are going to be asked to absorb some of the price increase, the government chooses instead to levy a ten cents per gallon excise tax.

Where is this half billion dollars going, Madam Speaker? It is going to the oil companies that got us into this predicament to begin with, and which have made incredible profits in the past few years because of the escalation in price.

I should like to cite two companies as examples. In 1973, Imperial Oil made a profit after taxes of $227 million; in 1974, it was $290 million. In 1973 Gulf Oil profit after taxes and expenditures was $100 million; in 1974 it was $161 million. These poor oil companies will receive this ten cents a gallon tax that the government is imposing. Is that justified in light of some of the practices of the oil companies based in Canada?

A court case in Nova Scotia revealed some very interesting things. The government of Nova Scotia took Imperial Oil to court over the price it was charging the Nova Scotia Power Corporation. Testimony showed that Imperial Oil, and most likely many of the other oil companies operating in eastern Canada, found loopholes in the government's conservation program and were able to get money through compensation payments that they should not have had in the first place.

These oil companies have ripped off the consumers in the past and, as evidenced by the Nova Scotia court case, have had questionable import arrangements. The minister himself said in the House that it was a technicality—they found a loophole and were able to get millions of dollars through compensation payments that they should not have had.

There was an interesting analysis of the situation in the May 30 issue of the Montreal *Gazette*. That newspaper summarized the case and showed that Imperial Oil got around a law designed by this inept government, by using a token Bermuda company to skim off $35 million in profits of crude oil for five years, and then transferred the profits to Canada tax free.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but I am afraid he is straying from the subject, which is a bill to amend the Excise Tax Act.

Mr. Symes: Madam Speaker, I am just trying to follow the example set by the Minister of Finance in his address on the budget. The point I am trying to develop is that Canadian consumers are paying a ten cents a gallon excise tax to these major oil companies who, through questionable economic practices, have already bilked the Canadian government and the Canadian taxpayer of millions of dollars in revenue. As a result I say this kind of compensation payment is unwarranted and unjust.

I should like to give further evidence in support of my objection to the government paying these companies the revenue from the excise tax. The court case in Nova Scotia shows that Exxon of the United States, which is the parent company of Imperial Oil of Canada, exercises very tight control over Imperial Oil's supplies, and Imperial's executives in Canada have little to say in regard to what price will be paid for oil. In other words, decisions on the price of oil in eastern Canada are not being made by directors of the Canadian corporation, Imperial Oil; they are being made by the parent company directors of Exxon in the United States. There is a pricing policy beyond the jurisdiction of the government. The government, because it has allowed the oil industry to be foreign owned, is helpless and goes along with policies made in a foreign country. What an example that is of loss of economic sovereignty.

The government is going to make consumers pay ten cents per gallon more for gasoline, and is going to turn that revenue over to those oil companies who carry out very questionable practices in this country.

Many Liberal backbenchers have been silent through this debate. They have received complaints from their constituents but have been afraid to stand up on their behalf. They have accepted the argument of the Minister of Finance that somehow this ten cents per gallon tax is just and that the poor oil companies deserve the revenue.

I have heard one or two Liberal members speak, and I think that is a record. They are usually quiet when the minister presents this type of legislation. One of their arguments to try to justify the tax was that if it were not done by direct taxation then it would have to be done through income tax; that it would be unfair to anyone who does not use a car to pay income tax to raise revenue, and that people at the lower end of the economic scale would be paying income tax to compensate eastern Canadian consumers. I reject that argument, Madam Speaker. If there is anything that is discriminatory it is this kind of sales tax that applies across the board, no matter whether you make $5,000, $10,000, or $50,000 per year. It is discriminatory to hit the low income earner with the same tax as the high income earner.

If there is any principle that I thought was accepted by Canadian taxpayers and the Canadian government it is that income tax is the fairest way to raise revenue. It is based on ability to pay, so those in the high income brackets can afford higher taxes and those in the lower brackets pay less.

This kind of proposed tax hits the old age pensioner just the same as someone in a high income bracket. It hits the disabled person, it hits the worker who has to drive to work—not the same as a doctor at the upper income level or a salesman or anyone else who has a car. The Liberals always have to look after their friends in the upper income brackets and so have provided exemptions for them.

● (2020)

I point out that doctors, salesmen, and others who use their cars for business will not pay the ten cents a gallon tax. It will be refunded to them. Workers will pay. Steelworkers of my constituency, and others in rural Canada who must drive 10 or 20 miles to work, must pay the tax; doctors, salesmen, and others will not. That is why I say this tax is so unfair. Both low income and high income people must pay the same rate of tax. If any Liberal backbencher can explain why that system of taxing is fair, I should like to hear him—or her. I submit that this kind of tax discriminates against low income people, and against those in certain job categories. That is why it is unfair.

If people could take public transport, if they were not forced to drive a car, it would be different. In the 1974 election campaign the Prime Minister (Mr. Trudeau) promised that hundreds of millions of dollars would be spent on improving the country's public transport. What happened to that promise? It is as hollow as other Liberal promises. Most people cannot choose to take the subway, bus, or fast train from the suburbs or rural communities to their work place. They must drive their automobiles. Why should they not be given the right to the rebate?

But the government will not exempt the mass of consumers, those who drive to work or use their cars for recreation. The government will not exempt them, but will exempt its friends. That is unfair. The government has put this ten cents a gallon tax on the backs of the working people of the country.

The government could use other methods for raising $500 million. It need not increase personal taxes. It could make the corporations shoulder a fairer share of the tax burden. Actually this would not entail increasing corporate taxes. Theoretically, corporations pay a rate of about 46 per cent, but their many deductions reduce corporate taxes to 20 per cent in some cases. Some oil companies pay as little as 11 per cent. However, the government need not interfere with the corporate tax system. It could raise the money by charging interest on money which has been made available over the years to corporations. What am I talking about, Madam Speaker?

Mr. Lambert (Edmonton West): I wish I knew.

Mr. Symes: Corporations owe $7 billion in deferred taxes, which is nothing but an interest free loan. If the government charged them 10 per cent, it could raise $700 million a year in extra revenue. But the government has not charged the corporations interest. Madam Speaker, my constituents cannot borrow money from the bank at much less than 10 per cent or 11 per cent. But the government gives the corporations an interest free gift in the form of deferred taxes. It need not increase corporate taxes. Let it charge interest on deferred taxes. Surely even the backward looking Liberals will accept the fairness of this proposition.

If the government lends the corporations $7 billion it ought to charge them at least 10 per cent interest and thereby raise money for the oil compensation plan. That way it would not need to charge the consumers of gasoline a ten cents a gallon tax. Perhaps that approach is too sane, too logical for the Liberals. When they do not want to do something, when they do not want to initiate a new health plan or pay a higher old age pension, they argue, "But we do not have the money and can only raise it by increasing your taxes." They never mean corporate taxes; they always mean taxes paid by individuals. The proposed excise tax is another example of that very policy which is so discriminatory.

Besides the ten cents a gallon tax the consumer must pay other taxes. The province of Ontario charges a tax of 19 cents per gallon. Even before the budget gasoline prices in Ontario averaged 65 cents per gallon, and prices in northern Ontario were substantially higher. Prices will rise, and fully 29 cents of the new price will go to paying federal and provincial gasoline taxes. Putting it another way, 60 per cent of the cost of every gallon of gasoline in Ontario will go to meeting federal and provincial excise and sales taxes. These taxes are discriminatory. Both high and low income people pay the same rate of tax under this system, whereas the graduated income tax does not work this way. Better still, why not charge the corporations interest on their $7 billion of deferred taxes?

This legislation will hit hard those who must drive their car to work, those who are disabled and depend on their cars, and the low income people—this includes the majority of Canadians—who depend on their cars for the family vacation. It will ruin the tourist industry in my part of northern Ontario. People will not drive their cars to our

cities and recreational areas. They will not use hotel and motel accommodation in the north.

The other day the Minister of National Revenue (Mr. Basford) tried to explain to the House how the rebate system will work. I fail to see how we can avoid the sort of bureaucratic bungling which has characterized the Liberal administration. There are too many loopholes. How will the law be enforced? How will you tell if the salesman or doctor is using his car for work, for pleasure, or for a vacation? These people will claim that they drive a certain number of miles in the course of their work; how can you tell? My constituents complain about cars used for business being used for recreation. They know that the people using their cars this way are abusing the tax system. There is bound to be much cheating under the new rules. People will claim a rebate when they are not entitled to one.

To be fair, we ought to rescind the ten cents a gallon provision and raise the necessary revenue by using some of the other methods I suggested. If corporations paid interest on their deferred taxes, the problem would be solved right away.

Before concluding I cannot help noting that the bill rescinds the excise tax on wine imposed in the November budget. In other words the Minister of Finance favours consumers of wine over consumers of gasoline. I was interested the other day in hearing the Liberal member for Niagara Falls (Mr. Young) say how he and his colleagues from the Niagara Peninsula had lobbied for this tax on wine to be rescinded. It is hypocritical that those same Liberal members voted for the November 18 budget that put the excise tax on wine. It is typical of the two-faced attitude of Liberals and their contempt for consumers. They make promises to the sky at election time, but if they get back with a majority they are the same old arrogant bunch who want to fight inflation on the backs of the working poor. I wish Canadians could see the faults and weak arguments put up to justify legislation such as this. It just does not make sense.

● (2030)

I am also disappointed in the members of the Conservative party who, only a few days ago, said that they were going to fight this piece of legislation tooth and nail. They said they would stand up for the Canadian consumer and stay here to force the government to back down. Where are all their speakers? Suddenly there is silence from the Conservative party. They could have had 60 more speakers on this unfair piece of legislation. However, now they want to get home for their vacations at their cottages and swimming holes. I am disappointed that they are not going to stand up and fight this arrogant majority.

We cannot get Liberals to defend this horrendous legislation. Now the Conservatives have also given up. That indicates that if the Conservative party were sitting on the opposite side instead of the government there would not be much change. They would bring in the same kind of discriminatory legislation.

We are prepared to argue against this unfair piece of legislation. If we have to sit here for the next few days, or for another week or two, we are prepared to do it. We believe that when our constituents sent us to Ottawa they did so in order for us to defend their rights as consumers. That is what we intend to do by opposing this piece of legislation.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I was interested today to hear the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) explain to members of parliament, and through the story in the *Gazette* explain to people across this country that the only way that members of parliament have any input into changes is to do it loudly, in great, numbers, and on successive occasions.

In the discussion the Minister of Finance (Mr. Turner) indicated that he felt boats, snowmobiles and outboard motors should be taxed. After listening to 57 members of parliament and many other representations, the minister received a push from the hon. member for Kenora-Rainy River, who has a great interest in small boats because he represents a tourist area where there is also a manufacturer of boats. He used some extraordinary methods which many of us in the opposition have not taken advantage of, putting pressure on the government in the House of Commons and putting pressure on senior civil servants in private. In that way you are able to have some changes brought about. This was indicated as the only way to change the mind of the Minister of Finance.

As a member from northern Ontario, and like the two previous speakers from northern Ontario, I support a change being made to Bill C-66 with regard to the ten cent excise tax on gasoline. The hon. member for Kenora-Rainy River was quite right in putting undue, and maybe excessive and even unethical pressure on certain segments of the government to have a tax that was highly detrimental to industry in this area removed. There are not very many industries in our northern constituencies. You have to husband each industry very carefully. If you lose one through an unfair disadvantage such as a tax, you may not get another.

Mr. Baldwin: How do you husband an industry?

Mr. Peters: This also applies to the hon. member for Peace River (Mr. Baldwin). He does not have much industry in his constituency. There is not much industry in northern Canada.

The other two members from northern Ontario who spoke joined the hon. member for Kenora-Rainy River in stressing the fact that we must impress on the minister that there must be special concessions for our people or they will be put out of business.

When the minister dropped the tax on wine he was again reacting to pressure that had been applied by some members on the government side. Some members on this side of the House were interested in this as well. One member is shaking his head. It is not quite as simple as saying that only some members were interested in this. Wine sales in Ontario and Quebec dropped off drastically. Because of this the government found that it cannot tax to the extent of having no return. Hopefully we can arrive at that stage with regard to gasoline.

The wine industry in Ontario is very important. The federal government has been very interested in helping its development. We have developed a hybrid grape stock

which produces a very palatable wine. We no longer have to drink Cawtaba after which you will tackle anything or want to climb a pole. I think all hon. members are sympathetic to the reduction in that tax, again allowing good wine to be the basis for a satisfactory repast. It has been said much better by poets, but I want to say it is a requirement for a good meal.

● (2040)

For many people in my area it is a requirement that they have gasoline for their automobiles. The amount of driving could be reduced with something that has been kicked around in this debate, namely, public transportation. Maybe the price of gasoline should be two dollars a gallon. Maybe we should not be using gasoline at all. Maybe we should be using our diminishing reserves of petroleum for purposes other than motoring. But this fits into a different category from the ten cents increase which the minister tells us will be used as an equalization payment. That argument sounds good; he says the payment will help provide equalization as between east and west. But there is no equalization within the various areas.

Take the area in which I live. Gasoline is ten cents cheaper 100 miles south of me and ten cents cheaper 100 miles to the north.

Mr. Lawrence: Beer is the same price, though.

Mr. Peters: I hear one hon. member asking why.

Mr. Lawrence: No. I said beer was the same price.

Mr. Peters: The reason is that there has not been a price war in the middle. There has been a price war at both ends but none in the middle, so the oil companies are able to take full advantage of their position by maintaining a fairly high price.

I note that funds have been provided to Petro-Can, a corporation which conceivably could play an important role in the equalization of gasoline prices. This agency could buy an interest in the seven major oil companies or, better, it could buy one of them and set the price by competition in the distribution of gasoline. If the minister wanted to take this course he would have to provide a suitable amount of money to enable Petro-Can to go into business. But he did not. I understand the agency has been financed with a sum of $100 million and I do not think it would be possible to buy many retail distribution centres for that. A much larger amount would be required.

Some hon. members, particularly those who support the government, are not really interested in all this. These are days of majority government. When we have a majority Liberal government, the cabinet is always right. On the other hand, when there is a minority government, the cabinet has to look seriously at all these things and consider all the implications.

In a minority situation the Liberal Party caucus has a great deal of influence, but when the government has an over-all majority one does not find many backbenchers disagreeing. I was surprised when the hon. member for Welland (Mr. Railton) got up the other day and made a speech. That speech made it almost a certainty that he will never become a parliamentary secretary—almost a certainty that he will never get any promotion. He has to weigh a consideration of that kind against whether or not he will be elected in his own riding on the strength of the representations he makes. I give him full marks for standing up and discussing a subject in which he is interested, one in which he has played a considerable role. I think he had an obligation to do so. Then there is the hon. member for Kenora-Rainy River. We shall probably find out more about that situation.

An hon. Member: Tomorrow.

Mr. Peters: I don't think we shall find out much tomorrow; I believe it will be some time before we get any more information.

I make the assertion that backbenchers in the government party are not really exercising the determination they say they are, that they are not really making any representations on behalf of their constituents on this important subject—the imposition of an excise tax on gasoline. They are doing it exactly as they always do under a majority government. Frankly I believe the hon. member for Kenora-Rainy River is an exception because he comes from Northern Ontario and has a specific interest. But the rest are sitting on their hands and going along with whatever the cabinet decides. It is a little like General Bullmoose and General Motors—whatever is good for General Motors is good for the country.

It seems to me the minister has a point in his favour if he can extend these concessions he says he intends to make to self-employed people, doctors, farmers, owners of commercial enterprises, fishermen and others, though we are talking here about a sizeable number of people in a diversity of occupations. If we, federally, can make this kind of exemption, why cannot we at least extend it to working people who use their automobiles to drive to their places of employment?

Mr. Béchard: Are you implying that farmers and fishermen don't work?

Mr. Peters: I am not saying that farmers or fishermen don't work. But I am saying that there has always been a hassle when it came to commercial fishermen and farmers getting provincial rebates on the gasoline they used. I do not think farmers, for example, have ever got a rebate from the federal government before. If the minister intends to set up a bureaucracy to deal with this sort of thing then at least he should be willing to extend its activities so as to cover the case of ordinary working people. Frankly, I do not know how this could be done easily. I do not know how he will deal with all these applications from private individuals—farmers, fishermen, self-employed. It has always been very difficult in the case of the province of Ontario, and the provinces are considerably closer to the people than is the federal government.

All of us in Ontario remember purple gas—the gas was coloured because it carried an exemption, and it was not supposed to be used in the wrong vehicle. But we are setting up a huge bureaucracy to cover this ten cents tax rebate, and while I think this is the wrong way of doing things I suppose we might as well go as far as to exempt those who need gasoline to go to work. It would not be

hard to get verification, but this would not be possible with a large number of other categories.

● (2050)

What verification would a doctor be able to provide that he used a car for a certain number of miles and was entitled to exemption on a certain amount of gasoline? The same can be said of a salesman, lawyer, or any grocery store. Most of the small restaurants in Ottawa run a Cadillac or other large car with a little sign in the window advertising take-out orders. Although take-out orders are not supplied by using the Cadillac, the Cadillac is written off for income tax purposes.

It is bad enough that the government is cheated right there, but how is the minister going to verify that such a businessman does use an automobile legitimately and that he can claim a rebate? When it comes to the farmer, or fisherman, or worker who drives 75 or 100 miles to work, it will be fairly easy to verify the amount of gasoline used. Driving from one community to another in the course of one's job presents no difficulties of verification for the employer, since he would know the licence number and so on, and the mileage could be calculated. You could even go one step further and calculate so many miles to the gallon regardless of the kind of car driven. In that event there would be no cheating.

An hon. Member: You want to establish a bureaucracy.

Mr. Peters: Someone says I am establishing a bureaucracy. Let me tell the House I was very impressed last week by the bureaucracy that the government has established, because National Revenue sent me a bill for $1,100 for income tax owing. I sent them off a cheque for $1,100 and what did they do with it? They applied it against 1975 and sent me another bill indicating I still owed them the money. If we are having trouble of that sort I do not know what trouble we are going to have with John Smith's rebate when trying to decide how much he is entitled to under this legislation.

I am sure the minister would agree that it is not hard to say that a man driving 50 or 100 miles to work every day will get 20 miles to the gallon. Workers do not like to be cheated, and they do not like to cheat themselves, and if a worker's car only gets 15 miles to the gallon then he will quickly change it for one that gets 20.

Many members have intervened in this debate on behalf of the working class of the nation and have spoken about the exemptions or asked the minister to remove the tax, which would certainly by far be the least costly. I think the minister will agree with me that his half a billion dollars will not even exist once it has gone through the bureaucracy. I am reminded very much of the Ontario government which at one time imposed a 3 per cent sales tax, and then after it had been in operation for a short time found it cost three cents to collect the tax, and so raised it to five cents. Although they still had the three cents expense they did get two cents out of it. Then they wanted to get three cents and so they raised the tax to 7 per cent. Now they have removed it until after the next provincial election.

The minister talked of equalization between east and west. He agrees that the former Prime Minister, the right hon. member for Prince Albert (Mr. Diefenbaker), was right in establishing the Ottawa valley line.

Mr. Boulanger: You mean the Borden line.

Mr. Peters: Well, whatever you call it. I am talking about the line that comes through Ottawa to Montreal. Everything east of that belongs to the east, and everything west of it belongs to Alberta.

Either the minister did not give much consideration to the real problem of equalization or he decided to follow Eaton's and Simpson's and their approach to east and west. If he were to deal with equalization properly, the man who goes to work at Glace Bay should pay the same for his gasoline as the man who works at Leduc, or for that matter in Toronto. The price of gasoline in Toronto should be the same as that in northern Ontario. I can assure the minister he would get much more flak if people in Toronto were paying 86 cents a gallon for gasoline. I suggest there is no equalization. The minister knows full well the ten cents tax will not equalize the price.

The minister put an export tax on a fairly large volume of oil that was being shipped south of the border, and that did provide some equalization. But this tax revenue has now shrunk to the point where we are paying almost $1 million a day compensation payments to keep the price at the refinery the same in eastern Canada as in western Canada. The federal government even so will only get about 90 cents out of the new price, whereas the oil companies will get considerably more.

The minister does not seem to be able to communicate very well with the provinces. Two elections in the last few months have been fought on his back, those in Alberta and Saskatchewan. Now the Ontario election is going to be fought on his back as well. As a federalist I am not happy about this. I do not think it is good for confederation, and it is certainly not good vis-à-vis the extent to which the federal government has to depend on the provinces for co-operation. The minister has applied the ten cents at the wholesale level, but by the time it gets to the pump it will be more like 12, 13 or 14 cents.

● (2100)

If the normal markup takes place in northern Ontario, the increase will be considerable. With this ten cents tax in Ontario we are now paying 19 cents provincially and 20 cents federally. This means that we are actually paying 39 cents without buying any gasoline. The last time I was involved in negotiations with major oil companies on the price of gasoline, the price was 39 cents. It has gone up considerably since then, but we are imposing a 60 per cent increase on the price, and it seems to me that this is not the way to accomplish a number of things which the minister should be trying to accomplish. One of those things is equality. The minister should be able to provide that equality in pricing all across the nation so that people will pay the same amount for the product no matter where they live.

In their speeches one or two of the minister's colleagues indicated that they live in more remote areas and that gasoline is a necessity in those areas. I am sure the minister agrees that, whether we use the budget method of

accomplishing it or not, we should be trying to accomplish a reduction in the size of engines on our highways.

No matter how much we may desire it, it is not possible to substitute public transportation for private transportation in many areas of Canada. In an area running from Montreal to Sault Ste. Marie live 50 per cent of the total Canadian population. There are many unsettled areas in that area as well, but there are great inequalities being worked on those who drive automobiles, and it seems to me that if in that large area one of our desires is to reduce the consumption of gasoline, we should be doing it by the reduction of engine sizes and certainly not providing a rebate on the large American automobiles imported into this country, as did the Ontario government. That is not the way to conserve energy. It would have been much better if this had not been done for American automobiles but for automobiles from other countries under a certain engine size. We would have conserved gasoline by this means, and also given some direction to the automobile industry in North America that it had better get into the swim and start producing smaller cars.

I am participating in this debate because the minister has indicated that the tax was taken off boats because of the influence of 57 hon. members and the extraordinary methods used by the hon. member for Kenora-Rainy River. The minister indicated that this is why that tax was removed. I am sure the hon. member for Kenora-Rainy River just bent his ear because he comes from an area where there are new mining communities like Ignace, where there are only trailer camps, where the town has not been able to grow to the extent of the mining community, and where people have to drive great distances. And knowing the hon. member for Kenora-Rainy River I am sure that he has used those extraordinary methods in this instance to obtain a rebate on behalf of the workers in that area. I am sure the people from Ignace have told him that the cost of driving from a built up community to a mining community is excessive.

He is like the rest of us who do not receive too many requests from commercial enterprises. He may not have received too many requests from private enterprises, but he has probably received many requests for equality—not for any special concessions—for the working class who have to drive for business purposes. That is the only way of getting to work when public transportation is not available.

I am sure the minister has heard 57 requests. I hope that is the magic number, and I hope that he will give them some consideration if he cannot remove the ten cents tax. I imagine he cannot. I imagine the Cabinet has decided to stand firm, but if he cannot remove the ten cents increase, I hope he will at least make a concession for working people who are able to prove that they use their automobiles for travelling to their employment and returning home. I think this would assist many people in the areas beyond the golden horseshoe and the metropolitan areas of southern Canada.

I hope the minister will giver some consideration to this forgotten group. It is always forgotten. I have been here 18 years, and requests were made before I came here—the request has been made perpetually—that some advantage be given to the working class in exemptions for tools and other concessions through the income tax structure and it was only very recently that this was done. I suggest that the minister will eventually provide this kind of gasoline tax exemption for the working class. They do not want this exemption for driving to church on Sunday. They do not want it for any frivolous reason.

In all those remote areas of northern Ontario, and particularly in my area, the automobile is not a luxury but a need. It is not something which is used like a boat with an outboard motor, or a ski-doo. It is not something used for recreational purposes or for pleasure. It is used in the course of work, and it is part of the worker's expense.

I hope when we go into committee the minister will take the very extraordinary step of providing, in addition to the exemptions which are now in effect, this exemption for the working class who are willing to provide vouchers endorsed by employers that in fact automobiles were used for transportation purposes in the course of work. Surely the minister will give consideration to granting that small concession for the working people of the country.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker—

Mrs. Holt: Rosemary, where art thou?

Mr. Broadbent: —there is no other instrument of government policy which so adequately reveals the soul of a political party as does a budget, and there is really nothing like a Liberal budget in a majority government to reveal the health of the soul of the Liberal party. The budget brought in by the Minister of Finance (Mr. Turner) shows, as nothing else could, in whose interests this government runs Canada, and against whose interests it runs the country.

There are three major parts of the budget, and I will come to the specific one we are dealing with tonight in just a moment. There is one profound change in the unemployment insurance regulations. One might say that some changes are needed in the unemployment insurance regulations, in the benefit provisions and the financing provisions. On that one might find certain points of agreement.

Mrs. Holt: Oh, oh!

Mr. Broadbent: I invite the hon. member, who talks so much sitting down, to take part in this debate later on.

There was a time when there was an hon. member for Vancouver-Kingsway—

Mrs. Holt: The opposition has only one woman over there.

Mr. Broadbent: —who provided not only sound but light, and I look forward to the day when that occurs again.

● (2110)

I was about to say that the unemployment insurance changes are entirely in the direction of placing an increased burden on the average and low income people, as is the case in respect of the excise tax we are debating

tonight. The changes in the financing of the medical care and hospitalization programs, which among the budgetary items are perhaps the most crucial in their long run implications for Canada, also will profoundly affect the average and low income people out of proportion as compared to the upper income people. They will affect the poorer provinces of Canada out of all proportion to the richer provinces, just as is the case with regard to the excise tax. All of this has been brought about by this great Liberal party which has governed Canada for so long.

This budget indicates, as nothing else could, that we are now back to the days of 1968-72 when the Prime Minister (Mr. Trudeau), who came in with a great majority at that time, was seen as a great progressive. Back in 1967 when I was teaching at York University in Toronto many people in Toronto were saying that the country needed a progressive man like Trudeau leading the Liberal Party. In terms of his progressivity, a Liberal told me, off in a quiet corner, that the President of the Privy Council offered his private assurance that, in the crunch, he would offer his support to the present Prime Minister for the leadership. Once I learned that, I knew that the present Prime Minister would be at home in the Liberal Party, and at home as Prime Minister in the Liberal Party, following that other great revolutionary, the late William Lyon Mackenzie King. The Prime Minister, on the occasion of the latter's centenary in December, described the former head of the Liberal Party as "our greatest revolutionary." That is the present Prime Minister's description of a former head of the Liberal Party, the man who governed Canada for so long.

I can understand now why the present Prime Minister would have regarded Mackenzie King as a great revolutionary. After all, a Prime Minister who could support this Minister of Finance with regard to this budget could regard Genghis Khan as a great revolutionary. So it does not surprise me.

I should like to point out before I get specifically to the tax measure that Mackenzie King—and there were some Liberals in this debate who referred to him as a great progressive man—was also a man who, just after the First World War when he had an opportunity—and the Prime Minister is aware of this—went to Great Britain where he met some socialists, and ran into George Bernard Shaw. This was revealed in implicit detail in the Mackenzie King diaries. Many people in England and elsewhere regarded George Bernard Shaw not only as a great playwright but also as a great socialist.

Young Willie King wrote in his diary that he really did not like George Bernard Shaw and all those other socialists because they drank beer. King said that the line must be drawn somewhere in respect of political ideals, and one really ought not to associate with people who drank beer.

Later on of course the same Willie King, the man this Prime Minister describes as the greatest revolutionary of our age, was all set to marry a nurse from Chicago until his mother found out, rapidly got some writing paper, and sent a letter off to Willie King in the United States where he was visiting the Carnegies, indeed a poor American family.

An hon. Member: Get back to the subject.

Mr. Broadbent: I think it is worthwhile to get a little of this on the record. Willie King's mother wrote to him saying that he had better not marry that nurse because, after all, a nurse was not quite good enough for him. I say it is not surprising that the Prime Minister could regard that man as a revolutionary. Their ideas do not differ at all in terms of their social attitude. They are very similar individuals, just as the government which governs this country now is similar to the government of Mackenzie King's day. It was a little different during the days of the minority government when the four or five progressives in the backbenches could say they got something done.

I just wanted to provide a little historical background for the Liberals who do not know much about their own party. Now let me come to the question before the House. Why is it this tax measure is before us? We have this tax measure because the government needs additional revenue to pay for the oil we import. The government has to make up the difference between what we receive in the form of export taxes for the oil we export and what we have to pay for the oil we import off our east coast.

There is no doubt that some additional revenue is necessary. No one questions that. We in our party question whether the amount should be $350 million this year, and some $500 million which is estimated for the following year. We have many suspicions arising from the court cases in Nova Scotia and in the United States that the oil companies in Canada, that is, the branches of the multinational corporations, indulge in immoral and illegal price fixing. We have our very great suspicions about that, but the government of course is not interested in pursuing any systematic investigation of that nature in the way Senator Church and his committee in the United States Senate are doing in that country.

It is my hope that Senator Church's investigators will come to Canada, and I intend to get in touch with that committee and point out that our government is not interested in investigating the internal practices of the oil companies. Since Senator Church's officials have gone to Italy to investigate the practices of the oil companies there, I see no reason why they should not come to Canada. I have a feeling that what would be discovered in Canada would be just as revealing as what is discovered in Italy.

We do not believe, if all the facts were known, that the government really needs all the additional revenue it says it requires to pay for the additional price of imported oil. If all the facts were known about the price setting devices of the oil companies, I think the amount of revenue needed would be substantially less than is claimed. We agree that some additional revenue is necessary, but we certainly do not believe that the revenue which is to be collected in the amount of $350 million this year and $500 million next year should be collected from the average and low income Canadians who drive automobiles.

● (2120)

I suggest that 90 per cent of the people driving automobiles today use their automobiles to drive to work and drive home again. Therefore the automobile is not a luxury at all. The government is placing a burden of $350 million this year, and $500 million next year, on the aver-

age and low income people, and this the New Democratic Party finds totally unacceptable. But the snickering backbenchers in the Liberal party can say, "Oh well, we over here are dragging this out," and that is really acceptable to them. They will go on saying that for the next three or four years, and then they will trot out some cliche ridden progressive platform just before the next election and try to suck in the people of Canada. I hope that will not happen in 1978.

What could they have done? The Minister of Finance knows that only about six Liberals have dared to speak on this measure, and some of them have asked how else revenue could be raised. Well, we will tell them how to raise revenue: you put a special tax on upper income Canadians. For example, take all Canadians who earn $20,000 or more a year and put a tax on them to get the money that we need to get the additional revenue. That might be a progressive measure, but it would not please all the upper income Canadians who not only vote for the Liberal party but who contribute financially to it. That party does not believe that we should try to redistribute income in this country, redistribute wealth. They like to bring in measures such as this measure and say it is all right for a $6,000 a year income family to pay the same tax—which it will have to with this measure—as a family earning $20,000, $30,000 or $50,000 a year. I repeat that the NDP rejects that approach to taxation.

If the government simply did not want to levy a special tax on upper income Canadians it could have taken it out of general revenue under the existing tax structure to which corporations contribute, and to which all of us contribute on a relatively progressive basis. That is another means it could have used. But no, it chose to levy a flat ten cents a gallon levy which hits disproportionately the average income Canadian.

We in this party have tried to prolong the debate in the House; there is no doubt about that and we make no apology for it. We believe that when an opposition party sees a piece of legislation which it believes to be rotten—as we do in this case—it has an obligation to dig in and fight. I say to you that 80 per cent of the members of our party have spoken in this debate. Of those who have not spoken, some are absent on other important business, and one or two are ill. So we have fulfilled what we regard as our serious political obligation in bringing to the people of Canada the fact, as we see it, that we have a totally unjust tax measure before us introduced by a totally unjust government.

We would like to continue this debate, if we had the support of the official opposition—as we had for a few days, and they vastly out number us—and if they had decided to stay in and fight then all of us together could have prolonged the debate and perhaps we could have got some changes from the government. Perhaps it would have backed down. But we have now concluded that, 80 per cent of our members having spoken, it would be pointless to extend further the second reading debate. Therefore we will let this measure proceed to the committee stage. At that stage we will propose some amendments that go to the heart of this measure, and we hope we will get the support of the official opposition.

[Mr. Broadbent.]

We have our doubts about the Minister of Finance, to understate the case by about 1,000 per cent, but we may get the support of the official opposition, and we will try to get some important changes made to the legislation at the committee stage.

I want to conclude by making a special appeal to the Minister of Finance. I want him to pretend that he is back in the days of the minority government. At that time he and some of his colleagues could move, if not an inch, at least two or three millimetres in a progressive direction. Let him pretend that his political life depends on moving incrementally toward a more just society in terms of the distribution of the economic burden in Canada. If he becomes so bound up in such a hallucination, he might agree during the committee stage to have all that voting fodder in the backbenches of the Liberal party agree to some sensible amendments, and if we get some sensible amendments to this measure, we may get a degree of economic justice for the people of Canada.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): The question is on the motion in the name of the Minister of Finance. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the motion (Mr. Turner (Ottawa-Carleton), which was agreed to on the following division:

● (2130)

(Division No. 64)

YEAS

Messrs.

Allmand	Caron	Foster
Andras	Chrétien	Fox
(Port Arthur)	Clermont	Francis
Appolloni (Mrs.)	Collenette	Gauthier
Baker	Comtois	(Ottawa-Vanier)
(Gander-Twillingate)	Corriveau	Gendron
Basford	Côté	Gillespie
Béchard	Cullen	Goyer
Bégin (Miss)	Cyr	Guilbault
Blais	Danson	Haidasz
Blaker	De Bané	Herbert
Blouin	Duclos	Holt (Mrs.)
Boulanger	Dupras	Hopkins
Breau	Duquet	Isabelle
Buchanan	Ethier	Jamieson
Cafik	Faulkner	Joyal
Campagnolo (Mrs.)	Fleming	Kaplan

Messrs.

Lachance	Marceau	Prud'homme
Lajoie	Marchand (Langelier)	Railton
Lalonde	Marchand (Kamloops-Cariboo)	Reid
Lang	McIsaac	Richardson
Laniel	McRae	Robinson
Lapointe	Milne	Rompkey
Leblanc (Laurier)	Morin (Mrs.)	Roy (Laval)
LeBlanc (Westmorland-Kent)	Munro (Hamilton East)	Sauvé (Mrs.)
Lefebvre	Nicholson (Miss)	Sharp
Loiselle (Chambly)	O'Connell	Smith (Saint-Jean)
Loiselle (Saint-Henri)	Ouellet	Stanbury
Lumley	Parent	Stewart (Cochrane)
Macdonald (Rosedale)	Pelletier (Hochelaga)	Tessier
MacEachen	Penner	Turner (London East)
MacFarlane	Philbrook	Turner (Ottawa-Carleton)
MacGuigan	Pinard	Yanakis
Mackasey	Portelance	Young—100.
	Poulin	

NAYS

Messrs.

Alexander	Kempling	Nowlan
Alkenbrack	Knowles (Winnipeg North Centre)	Orlikow
Andre (Calgary Centre)	Knowles (Norfolk-Haldimand)	O'Sullivan
Baker (Grenville-Carleton)	Korchinski	Paproski
Baldwin	Lambert (Edmonton West)	Patterson
Beatty	Lawrence	Peters
Beaudoin	MacDonald (Egmont)	Ritchie
Benjamin	MacDonald (Miss) (Kingston and the Islands)	Rodriguez
Broadbent	MacKay	Rondeau
Clarke (Vancouver Quadra)	MacLean	Saltsman
Coates	Marshall	Schellenberger
Crouse	Matte	Schumacher
Darling	Mazankowski	Smith (Churchill)
Dick	McCain	Stanfield
Dinsdale	McGrath	Stevens
Epp	McKenzie	Stewart (Marquette)
Friesen	McKinley	Symes
Gilbert	McKinnon	Towers
Grafftey	Muir	Wagner
Halliday		Wenman
Huntington		Whiteway
Hurlburt		Whittaker
Johnston		Woolliams—65.

• (2200)

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Penner in the Chair.

Mr. Baldwin: Ten o'clock.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CRIMINAL CODE—PROPOSED INCREASE IN PENALTIES FOR EXTORTION—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I thank you for the privilege this evening on the adjournment motion of bringing forward

my representations on a very grave crime that is all too prevalent in our nation today, that of extortion. My representations are made pursuant to the question I put to the Minister of Justice (Mr. Lang) on May 13, as reported at page 5727 of *Hansard*, when I asked the following question:

> Mr. Speaker, my question is for the Minister of Justice. I am sure I voice the concern of all members about the alarming increase in the crime of extortion which is now prevalent in our country . . . As a result of the prevalence of the crime of extortion in this country, preying mainly on the banking and financial professions, will the government and the judiciary immediately review this very serious situation and legislate to increase the penalties for such crimes in order to more severely punish and deter those who would commit them?

The minister replied in part:

> . . . I think the question is more one of an enforcement problem and the facilities in that regard. I will be glad to receive any suggestions the hon. member has.

I do have some suggestions to make, Mr. Speaker. I think that short of capital murder, and premeditated murder in all its facets, the most serious problem that besets us today in the line of criminal offences is that of extortion. Rarely do you pick up a daily paper from the metropolitan areas, and from smaller areas also, that you do not read of cases of extortion, most of them carried out successfully by the criminals. They prey mostly on people in the financial sectors of our society and also, from time to time, on those in politics and diplomacy.

I remember many years ago that one of my predecessors in this House of Commons was the target of a local extortion attempt but it was foiled by the law authorities and no physical or financial harm resulted. Today it is all too common to read or hear in the media about a mysterious voice calling a bank manager and saying, "We have your wife and child as prisoners. Put half a million dollars in a certain place. Do not inform the police and no harm will befall your dear ones". In my estimation this is one of the most despicable of all crimes, and as one who in political life has always stood for law and order and the protection of persons and property I intend to see that punishment for such a crime is severe and swift. That is why I asked on May 13 that the minister and his government and the judiciary immediately review this situation, and that with the increase in the frequency of these offences there also be a pro-rata increase in the penalties for such crimes.

If in the past criminals were getting an average of five years for extortion, now give them ten years with hard labour; and if any deaths result from such premeditated action, try them for capital murder. If the jury does not recommend mercy, let them pay with their lives. The same thing applies to the hostage racket in the prisons.

I bring to your attention an article supporting my opinions in today's Ottawa *Citizen*, written by William Gold, associate editor of the Calgary *Herald*. In an article headed "A little hanging might be a useful exercise", Mr. Gold has this to say:

> Contemporary society is producing a singularly savage type of animal, entirely lacking in comprehension of, or respect for, the lives of other people. These psychopaths know perfectly well what they are doing is wrong legally and morally, but the act of murder causes them absolutely no sense of personal revulsion.

I agree here with Mr. Gold. Your Honour and I in this House are reminded that primarily the chief reason for government is the need for protection to persons and property. When we cease to support those principles we should no longer be representing the people. I had that drilled into me by my ancestors, and by predecessors and colleagues in municipal government, yes and in every day life in the region, the county, and community from which I come. I will never desert those principles.

No corporate state should ever relinquish the right to demand the life of any of its citizens convicted of capital crime. The Trudeau government with its permissiveness and laxity is finding this out, but is still refusing to act on it. The government has been operating on the false elitist principles that there are no deterrents to crime. This is not so. The government has not been employing deterrents in their proper severity and force. That is why I ask for an increase in the deterrents to those convicted of extortion. Let the judiciary increase the deterrents. As soon as it is known through extortion circles that the penalties are greater, the frequency of incidents will recede. It will work. It worked many years ago in the 1930's in Ontario.

● (2210)

During the depression chicken thievery became so prevalent that there was hardly a farmer in Ontario who did not not suffer from raids on his chicken house. Up to that time chicken stealing was regarded on the same plane as Hallowe'en pranks. It was rather lightly regarded. The demand was raised for stiffer penalties for chicken stealing. The government of Ontario through its magistrates responded to that demand and imposed stiffer penalties commensurate with the crime. Chicken stealing very soon became a rare occurrence, and we hardly ever hear of it any more. Increase the penalty—decrease crime.

I have further information and statistics, but we do not have the time for them tonight. We have been informed that extortion has been so prevalent, especially in Montreal and vicinity, that since November last well over $1 million has been successfully extorted by the underworld from citizens in that area in 13 different cases. This occurs not only in Montreal; it is prevalent in Ontario and the western part of the country as well.

In closing I ask the Minister of Justice to use all his influence to see that those convicted of extortion are more severely punished in a manner commensurate with the enormity of their crimes.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the Criminal Code creates various crimes of extortion. The most notable of these comes under section 305 which provides a penalty of 14 years' imprisonment for inducement or attempted inducement. Subsection (1) reads as follows:

Everyone who, without reasonable excuse and with intent to extort or gain anything, by threats, accusations, menaces or violence induces or attempts to induce any person, whether or not he is the person threatened, accused, menaced or to whom violence is shown, to do anything or cause anything to be done, is guilty of an indictable offence and is liable to imprisonment for fourteen years.

Section 266(1) of the Code stipulates:

Everyone commits an offence who, with intent

[Mr. Alkenbrack.]

(*a*) to extort money from any person, or

(*b*) to induce a person to confer upon or procure for another person an appointment or office of profit or trust, publishes or theatens to publish—

And so forth. I will spare you the rest.

In addition, section 266(2) creates an offence punishable by five years' imprisonment for publishing a defamatory libel. The Criminal Code also makes it an offence to threaten or intimidate people whether or not the threat or intimidation was done with the intent to extort anything of value. Numerous other provisions of the Criminal Code overlap with the extortion provisions and some of these have penalties up to life imprisonment.

In recent times the entire trend has been away from prescribing minimum penalties for offences under the Criminal Code. The rationale is that those directly involved in the administration of justice generally hold the view that the courts should be left with a discretion to impose whatever sentence they consider fit having regard to the circumstances of the particular case. The Attorney General of a province, or his agent, can always appeal the sentence.

The maximum terms of imprisonment under section 305 is fourteen years and this appears to provide sufficient flexibility to the judiciary in imposing sentence. The present maximum does, I think, reflect the public's general disapprobation towards this kind of conduct.

While I agree with my hon. friend that the problem is serious, I refer here, naturally, to the administration of justice, I do allow myself to disagree with him on capital punishment. I do not believe in the law of the underworld, the law of settling of accounts, the law of mutual assassinations as a solution to our problems. And I feel that we should now have, naturally, more severe penalties. I shall therefore convey the recommendations of my hon. friend to the Minister of Justice (Mr. Lang), for I do agree that extortion is a serious crime which calls for appropriate sanctions, but I disagree with him on capital punishment, which he recommends, yet I respect his opinion.

[*English*]

PUBLIC WORKS—REQUEST FOR CHANGE IN REGULATIONS TO PERMIT PEOPLE IN NORTHERN AREAS TO RENT PREMISES OWNED BY DEPARTMENT

Mr. John Gilbert (Broadview): Mr. Speaker, last Thursday in the absence of the Minister of Public Works (Mr. Drury) I directed a question to the Prime Minister (Mr. Trudeau), which had been referred to me by my colleague, the hon. member for Northwest Territories (Mr. Firth). If he had been here he would have asked the question, but he was attending meetings in the Northwest Territories, and he called upon me, because of the crisis proportions of this problem, and asked me to direct a question to the Minister of Public Works.

So that you may be aware of the question, Mr. Speaker, I said:

In view of the housing crisis in the Northwest Territories and the fact that in the Yukon—

At that time I should have said Yellowknife.

—small apartments are renting for as much as $400 a month, and in view of the fact the Department of Public Works have vacant in the Yukon 130 homes, 200 detached homes and some apartments, and some of the homes have been vacant for as long as five years, and in view of the fact there is a regulation . . . of the Department of Public Works not to rent to employees who are local people who reside in the area, will the Prime Minister change the restrictive and discriminatory rule and permit local people to rent these vacant homes and apartments to ease the critical housing shortage . . .

In a supplementary I also said:

Is the Prime Minister aware that the same problem pertains in Fort Smith, Hay River and Inuvik and that the local people feel that if persons are from the south they can get accommodation whereas if they are from the local area they are denied accommodation? Will the Prime Minister also direct his attention to this and have this very serious problem cleared up?

You, Mr. Speaker, can appreciate the critical housing situation in the Northwest Territories, and in particular in Yellowknife, Hay River, Inuvik and Fort Smith where housing has reached a crisis stage. People are paying exorbitant rents for apartments while there are vacant apartments, homes, and detached houses which are owned by the Department of Public Works, in respect of which there is a rule which states that they can be rented only to people who come from the south to work in the Northwest Territories. If this is the case, and it must be the case because my colleague from the Northwest Territories is greatly concerned and exercised about it, then it is high time the Minister of Public Works set in motion changes in the regulations concerning these homes.

Many times I have heard the Minister of State for Urban Affairs (Mr. Danson) say that housing should be a basic right for all Canadians and that it should be available at affordable prices. If that is the case and if it is the philosophy of the government, and we have a crisis situation in certain areas of the Northwest Territories, then it is incumbent upon the minister to change those regulations so that those vacant properties may be rented to the people in the area.

If there is anything worse than discrimination it is the feeling people in the Northwest Territories have that the people from the south get better privileges than the people from the north and the local area. This has been the thrust of the rule which applies at the moment. I would hope that the parliamentary Secretary to the Minister of Public Works (Mr. Turner) would get up and say there are vacancies in respect of homes, apartments, and so on in the north, that there is this restriction which has been working against the people in the local area, and that he will see that changes are made to ease the housing problem and also ease the feeling of discrimination the people in the north have. I look forward to the answer by the parliamentary secretary.

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the Department of Public Works is responsible for the administration of pool housing in the north and can only answer for units which are connected with this program. Other northern housing programs are administered by the individual departments involved.

In the Northwest Territories there is a total of 782 pool housing units available. At the present time there are 51 units vacant and awaiting the arrival of known occupants. An additional 37 units are vacant, with no known requirements. This represents a vacancy factor of less than 5 per cent, which is considered reasonable in this program when consideration is given to seasonal work and other fluctuations.

● (2220)

In Whitehorse there are 84 houses available of which three are vacant at the present time. The figures change from month to month, but three to five vacant at any one time is the average.

The regulation to which the hon. member for Broadview (Mr. Gilbert) referred is T.B. No. 552212 pool housing policy and procedures. This regulation, we understand, is being considered for review by Treasury Board officials.

ROYAL CANADIAN MOUNTED POLICE—ALLEGED REDUCTION IN EXPENDITURES FOR FORCE—MINISTER'S POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise tonight to speak on behalf of a beleaguered group which, more than any other institution in Canada, represents the qualities of dignity, fairness, perseverance and responsibility to the people of the world. I speak of course of the Royal Canadian Mounted Police.

Whereas in other countries the police are easily passed off as "cops" and "pigs", in Canada we still speak proudly of the Royal Canadian Mounted Police. Whereas in bygone days the force could devote all of their attention to getting their man, today they have to be on their guard lest some man gets them. I speak not of the criminal who, by commitment, has devoted his life and energies to fight against the forces of law and order; I speak rather of the governments and their bureaucrats who make it more and more difficult for the police to do their work, who make the police officers the victims of an unnecessary power struggle. I speak on behalf of the people of Canada who are the victims, the innocent bystanders who become the victims of this power struggle. Let me illustrate.

There is a well known understanding among the police forces across Canada that there is a 6 per cent guideline limiting the expansion of RCMP facilities province by province. Hon. members must understand of course that this is not related in any way to the crime rate in any given province, it is not related to the present understaffing of the police forces in any specific area, and it is not related to the requests of the forces in these local areas, but rather it is an arbitrary decision agreed upon by the cabinet which ignores the crime needs of communities faced by mounting lawlessness and mounting juvenile delinquency, and that in itself becomes a crime in its own right.

It is not enough that the police force has to fight crime; it now must also fight for its own existence. Then there is the trade off power brokerage between the federal government and the provincial governments.

Right now the federal government pays 50 per cent of the expense of maintaining the first four officers in any given community, and 25 per cent of the expense of maintaining all the other officers beyond the first four. But the contract for the RCMP, especially in British Columbia,

expires on December 31, 1975. Now the Solicitor General (Mr. Allmand) wants to renegotiate that contract. He wants to make municipalities pay 85 per cent of the entire cost of maintaining the RCMP forces in any given municipality in British Columbia.

Think what that means for a municipality like Surrey-White Rock. Here is a municipality which has inherited all of the problems of racial tension as a result of federal immigration policies. It has inherited the problems of congested housing, again the result of inadequate federal housing policies. It is inheriting drug trafficking problems because of the shortcomings within the judicial system, and because of the half-hearted support given the police forces by the federal government. In total, the local governments have a gun held to their heads. On the one hand they have the problems that face them for which there is no immediate solution, and on the other hand they are not being given the tools to do the job. And in the future the government wants to restrict their efforts even further. The local governments have no bargaining power but are faced with mounting problems issuing from the policies or non-policies of the federal government.

I would be the first to admit there is a need for fiscal restraint by the government. There are many places where we can be critical of federal government spending; there are many "give away" programs that are ought to be eliminated; there are many people who have destroyed their own sense of the work ethic and who are being given handouts by the federal government. There are hundreds of ways in which we can exercise fiscal restraint.

As long as I have letters from my constituents telling me that they are afraid to go out at night I will do my best to press the government not to exercise fiscal restraint in this area. I believe that members of the RCMP are doing yeoman's duty working against all odds, and ought not to be the victims of this kind of disservice. I beg the Solicitor General to reconsider his plan to be tight fisted in his forthcoming policy, and to give the RCMP forces in British Columbia the kind of support they deserve and sorely need.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, on July 9 the hon. member for Surrey-White Rock (Mr. Friesen) asked me how I could justify supporting a cabinet guideline to hold expenditures for law enforcement establishments at 6 percent. I answered that I was not sure that there was such a guideline for our department, but I did say that there would be certain cuts with respect to the RCMP and the penitentiary service but that they would be kept to a minimum in the province of British Columbia.

I should now like to give further answer to the hon. member.

In 1975-76 the RCMP was granted 1,009 additional man-years, for an increase of approximately 6 per cent over the previous year. The province of British Columbia was granted 244 of those additional man-years for 1975-76, for an increase of 7.2 per cent, which was a greater increase than that for the RCMP nationally during that year.

The recent cutback of 1 per cent on the man-years establishment will affect the RCMP nationally with a cut of 178 man-years to be implemented over a period of 1½ years. This will mean that the planned increase for 1975-76 for the RCMP will be reduced to approximately 5 per cent.

I want to emphasize to the hon. member, however, that any such reductions will be applied to low priority tasks for the RCMP and low priority regions. In this respect the RCMP consider British Columbia a very high priority region. As I mentioned, the increase in man-years originally allocated for British Columbia in 1975-76 was higher than the national average. I should point out that the shortage of police in British Columbia in 1975 is in a great measure due to the attitude of the former Socred government which, year after year, cut back on the suggested manpower for the RCMP in British Columbia for provincial policing. As a result, the new provincial government and the federal government are attempting to do a lot of catching up.

In conclusion let me say that some of these matters are now being reviewed as part of our work to provide a more effective crime prevention program for the autumn. I want to assure the House that we will do everything possible to provide additional protection for the public against crime, while respecting the government's general program for restraint in lower priority tasks and areas.

The Acting Speaker (Mr. Penner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands ajourned until tomorrow at 11 o'clock a.m.

Motion agreed to and the House adjourned at 10.33 p.m.

HOUSE OF COMMONS

Friday, July 25, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

DISASTERS

DAMAGES TO SAINT-BONAVENTURE BY TORNADO—REQUEST FOR FEDERAL AID—MOTION UNDER S.O. 43

Mr. Yvon Pinard (Drummond): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to discuss an important and urgent matter.

In view of the tragedy that occurred yesterday at Saint-Bonaventure, in the riding of Drummond, when a tornado caused the death of at least three persons, some fifteen others being still unaccounted for, and over a million dollars' worth of damages by destroying a large number of houses, businesses and various municipal buildings, and as the provincial authorities are said to have been asked to declare the area a disaster area, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the federal government immediately offer all available assistance to the victims of Saint-Bonaventure and assure them of the co-operation of all departments concerned.

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

Some hon. Members: Yes.

Mr. Speaker: As the House is unanimous, I shall put the motion. Seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner), the hon. member for Drummond (Mr. Pinard) moves:

That the federal government immediately offer all available assistance to the victims of Saint-Bonaventure and assure them of the co-operation of all departments concerned.

Does the House adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

CANADIAN PACIFIC RAILWAY

PROPOSED INVESTIGATION OF SAFETY AND LABOUR PRACTICES OF COMPANY—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that Canadian Pacific Railway is arbitrarily reducing main line railway and yard crews by one brakeman thereby jeopardizing railway safety and having no regard for employee tenure, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House instruct the Minister of Transport to conduct a full scale investigation into the safety and labour practices of the CPR.

Mr. Speaker: Pursuant to Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

MESSAGE OF CONGRATULATION TO NATIVES ON ONE HUNDREDTH ANNIVERSARY OF SIGNING OF LAKE WINNIPEG TREATY No. 5—MOTION UNDER S.O. 43

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing importance. This is the same motion I proposed yesterday and I again seek Your Honour's permission to present it. Inasmuch as articles of a treaty, known as The Lake Winnipeg Treaty No. 5, were made and concluded at Berens River and Norway House in 1875 on September 20 and 24 respectively between Her Majesty the Queen and the Saulteaux and Swampy Cree Tribes of Indians, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That congratulatory messages be sent from this House to those bands of Treaty Indians adhering to the provisions of the said treaty and who, early in August, will be celebrating the one hundredth anniversary of the signing of The Lake Winnipeg Treaty No. 5.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43. It cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Churchill (Mr. Smith) moves:

That congratulatory messages be sent from this House to those bands of Treaty Indians adhering to the provisions of the said treaty and

who, early in August, will be celebrating the one hundredth anniversary of the signing of The Lake Winnipeg Treaty No. 5.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Yesterday I indicated that by virtue of the rather extraordinary importance and implication during the question period of certain questions of privilege that were outstanding, the House might agree to deal with those prior to the question period. We did that once in order to clarify what might be done in the question period. I do not think we ought to do that on a daily basis. There are still outstanding questions of privilege, but I think we should take them in the ordinary course of procedure at the end of the question period.

● (1110)

ORAL QUESTION PERIOD

[*English*]

HOUSE OF COMMONS

MR. FAULKNER—REPORT ON TELEPHONE CONVERSATION FROM PRESIDENT OF OUTBOARD MOTOR COMPANY IN PETERBOROUGH CONCERNING TAX CHANGE ON BOATS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Secretary of State. Has he now had an opportunity to check his memory with respect to my question yesterday with regard to a telephone conversation between himself and the President of the Outboard Marine Corporation of Peterborough, Ontario in which the president of the company, Mr. McMillan, informed the minister that he had been told there was to be a 10 per cent excise tax coming up in the budget two weeks hence?

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker, I had a chance to talk to Mr. McMillan yesterday on the phone. He confirmed that he had talked to me and I apparently replied to him in the vein that I was not in a position, as a member of cabinet, to discuss that issue with him, and that is where it ended. I think he elaborated on that in the news yesterday.

Mr. McGrath: Did Mr. McMillan, in the course of his conversation with the minister, identify the source of the information and what did the minister do with the information he received with Mr. McMillan?

Mr. Faulkner: Mr. McMillan yesterday contended that he had received some information from his dealer—he could not remember, or he did not specify, which dealer it was in Kenora. What was the second part of the question?

Mr. McGrath: The second part of the question was: Did Mr. McMillan identify the source of the information and what did the minister do with this information?

Mr. Faulkner: I did not do anything with the information of a particular kind. I simply told Mr. McMillan that as a member of the cabinet I could not discuss this issue with him.

Mr. McGrath: In view of the public statements which have already been issued by Mr. McMillan in which he identifies the precise terms of the conversation and in view of the fact that Mr. McMillan has sworn to an affidavit in which he recounts his version of the conversation, may I now ask the minister once again whether he recalls the precise terms of the conversation, which took place two weeks prior to the budget? Further, did the minister, when he received that information discuss it with the Minister of Finance, and if not, why not?

Mr. Faulkner: I don't remember discussing it with the Minister of Finance, Mr. Speaker.

Some hon. Members: Oh!

Mr. Faulkner: Well, it seemed to me at the time to be a piece of speculation on the part of Mr. McMillan based on a contact he had with a dealer in Kenora and I told him I was not prepared to discuss it.

* * *

FINANCE

POSSIBLE CORRESPONDENCE BETWEEN MINISTER AND MEMBER FOR KENORA-RAINY RIVER CONCERNING EXCISE TAX ON BOATS—REQUEST FOR TABLING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question would be for the Minister of Finance. Can the Minister of Finance tell the House whether during the period between his May and November budgets of last year he had any written communication with the member for Kenora-Rainy River on the subject of specific excise tax proposals and would he be prepared to table any and all such correspondence in the House?

Hon. John N. Turner (Minister of Finance): I would have to ascertain whether there was any such correspondence. As I said yesterday, I had representations from all over the country after the May 6 budget, particularly after the government was returned on July 8, as to the excise tax on boats and motors. I also received representations from all quarters of the House on the same issue. But I will have to look into the question of whether there was any correspondence.

INQUIRY AS TO CONVERSATIONS BETWEEN MINISTER AND MEMBER FOR KENORA-RAINY RIVER CONCERNING EXCISE TAX ON BOATS

Mr. Sinclair Stevens (York-Simcoe): In view of the minister's answer today and also of his answer as reported in *Hansard* yesterday when I asked him whether he had had any personal conversations with the hon. parliamentary secretary concerning the proposed amendment to the Excise Tax Act, which appeared in the House on January 28, I should like again to ask the hon. gentleman, who yesterday stated he could not distinctly recall that, whether he had any conversation with the hon. parliamentary secretary with respect to the proposed amendment to the

Excise Tax Act referred to yesterday and, second, whether he had any personal conversations with the parliamentary secretary prior to the introduction of the budget itself with respect to excise tax matters?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I cannot recall specific instances in either case, but I repeat what I said yesterday. Neither before the budget, which is not in issue because the tax was reimposed at an accelerated rate in the November 18 budget—

Mr. McGrath: An accelerated rate? It was the same tax.

Mr. Turner (Ottawa-Carleton): Well, it was 3 per cent in the May 6 budget and 10 per cent in the November 18 budget. The allegation, I understand, was that the tax was going to be removed on boats, and of course it was not removed on boats. I said quite categorically yesterday that neither before the budget nor between the budget and the introduction of the amendment which relieved the tax on boats, did I give any indication to any member of this House, other than cabinet colleagues when the matter came before cabinet, of the introduction of the amendment. That procedure I have used in five budgets and five sets of budget bills.

POSSIBILITY OF LEAK BY DEPARTMENTAL OFFICIALS CONCERNING EXCISE TAX ON BOATS—REQUEST FOR REPORT

Mr. Sinclair Stevens (York-Simcoe): A final supplementary question, Mr. Speaker. In view of the fact that the affidavit referred to by my colleague the hon. member for St. John's East specifically states that the 10 per cent excise tax in the November 18 budget, as compared to the 3 per cent tax in the May 6 budget, was known or communicated to the deponent of the affidavit two weeks before the budget was introduced on May 18, and alleges that the information arose from the hon. member, the parliamentary secretary, would the minister indicate whether he has checked if there was any leak within his department with respect to this information?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have checked with senior officials of the department and I have had it confirmed to me that in no event was any information given either to the parliamentary secretary or to any other member of parliament.

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HOUSE OF COMMONS

MR. REID—REQUEST FOR CLARIFICATION OF STATEMENT CONCERNING FOREKNOWLEDGE OF CHANGE IN EXCISE TAX ON BOATS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to address a question through the President of the Privy Council to his parliamentary secretary, the hon. member for Kenora-Rainy River, which follows directly from what the Minister of Finance has just said. I should like to have the hon. member clarify for the House the accuracy of the quote attributed to him, in terms of his knowledge as a parliamentary secretary, of forthcoming changes in the November budget which came about in January. He is quoted as having foreknowledge of the changes before they were introduced in January. The quotation is:

> We put on a lobby and we knew about six weeks before it was announced that it was coming off the boats but not the motors.

I ask the hon. member whether that is an accurate quotation, and if he knew precisely, how did he come to know precisely?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is that I did not know precisely that the tax was going to come off the boats. I did know, and I think a great many members of the House knew at the time, that there were going to be changes in that particular tax. Hon. members who have read *Hansard* yesterday, though not the edited transcript that appears in the *Gazette* this morning, will realize that I quoted the evidence of a member from the other side who also confirmed that he had knowledge, based on his being a member of parliament and paying attention to the debates in the House, that the tax would be coming off. For those members who would like to look it up, I would suggest they read *Hansard* of yesterday and then go back to the evidence given in the privileges and elections committee, I believe on page 12 or page 15 of the report for March 6, 1975, where they will see the evidence quoted. I do not want to give the hon. member's name.

Mr. Broadbent: Why not?

Mr. Reid: The other question was whether I had any information that the tax would be changed as a result of my being Parliamentary Secretary to the President of the Privy Council. The answer is no. The only inside information that I have as Parliamentary Secretary to the President of the Privy Council concerns what the House leaders say among themselves at different times.

● (1120)

MR. REID—POSSIBILITY OF CONVERSATIONS WITH CONSTITUENTS CONCERNING EXCISE TAX ON BOATS PRIOR TO INTRODUCTION OF BUDGET

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the related fact that members of the New Democratic Party, who have checked their correspondence and their memories concerning conversations they have had with the minister and officials when some of them were making the same kind of appeals the hon. member was making, found that their correspondence in fact indicated no knowledge whatsoever of the certitude of the tax change coming—in fact they got quite clear answers from the Minister of Finance to the effect that such matters were confidential and they in turn conveyed to their constituents that uncertainty and did not indicate they had any knowledge, and in fact none of our members had any knowledge of the kind the hon. member refers to—I should like to ask a question related to the letter he sent on December 19 to Mr. Nelson which reads in part:

> —I understand they are likely to relieve the excise tax against boats, although not on motors.

In addition to this letter to Mr. Nelson, prior to the date of this letter or after but prior to the introduction in the House of the budgetary changes, did the hon. member

have a telephone conversation either with Mr. Nelson or with any private individual concerning the forthcoming budgetary changes, and did he indicate a knowledge of those present or forthcoming changes in such conversations.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Well, Mr. Speaker, so far as the matter of the members of the New Democratic Party not seeming to have any indication that the change was possible or likely to come is concerned, that is a question for them to decide with regard to how effective they are in the House of Commons and how knowledgeable they are. The point I want to make is that if the hon. member will look at *Hansard* at page 7891, he will note that a member on the other side made the same judgment I had and had come to it independently because we had not talked about it beforehand.

Insofar as the question about Mr. Nelson is concerned, I believe, after I received his letter dated December 3, which I think is the first indication I had he was concerned about it, I phoned him to find out his concerns and have him elucidate more fully the effect this tax would have on his business and then I proceeded to make my inquiries and judgments. There was, to my recollection another company in my constituency, the Naden Boat Company Limited of Vermilion Bay, from which I received a phone call in about three or four days of the budget delivery putting the argument to me that the way the excise tax was imposed could do irreparable harm to their manufacturing operation since they had been in business for only six or eight months and did not have the cash flow and marketing situation to be able to sustain that kind of a blow. There were also from my constituency a number of other retailers who got in touch with me, either personally or in writing, and I added these to my files and made representations on behalf of all of them.

Mr. Broadbent: Mr. Speaker, I should like to point out, first, that the people whose judgment is being questioned are not members of the New Democratic Party. I responded with care yesterday I thought to the hon. member opposite and would like him to exercise the same care in some of his responses in the House today.

I would ask him now if he would answer the question more precisely. In his telephone conversations with people in his constituency or elsewhere, did he convey with any greater degree of certitude than he expressed in his letter of December 19 his knowledge of forthcoming budgetary changes?

Mr. Reid: Mr. Speaker, I want to apologize to members of the New Democratic Party. I merely wanted to point out that the certitude of the knowledge I had that there was a possibility of a change was shared by me on this side at least with a member on the other side. So there were two of us who had some certitude, some insight, into the proceedings.

To answer the hon. member's question, I could say that from the reaction of Mr. Nelson when I phoned him and when I wrote him I judged that he had no confidence at all in the judgment which I had expressed that I thought that there would be changes. He tended to be very dubious about it and he told me that he simply did not believe me. I simply reiterated to him at the time, as I did in my letter, that the chances were good, the likelihood was there that there would be a change because of the nature of what the minister was attempting to do in the tax. I made a judgment on my own. I had made this judgment on bills of all nature and I make that judgment continually in my work as Parliamentary Secretary to the President of the Privy Council as to how the House will behave and how we will move business along.

* * *

[Translation]

AGRICULTURE

DAIRY—SUGGESTED RECONSIDERATION OF LEVY ON INDUSTRIAL MILK FOR EXPORT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to ask the Minister of Agriculture a question.

Since the Department of Agriculture has authorized the Egg Marketing Agency to increase from 8 to 10 cents the price of grade A eggs, which will enable the producer to make a reasonable profit of 6 per cent, I wish to congratulate him. My question is as follows: does the minister believe that the 45 cent export levy for the industrial milk producer will be revised during the summer holidays?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, any policies for which I am responsible will be fair policies. We are reviewing the policy that is in accordance with the agreement with the dairy farmers of Canada for industrial milk. They understand that policy and they also understand the reason for the 45 cents per hundred pounds cost because the European Economic Community dumped so many thousands of tons of skimmed milk powder on the world market at no cost to their producers. So we are reviewing it and hoping to come up with a program that will not force industrial milk producers in Canada to take a cut in income.

[Translation]

Mr. Beaudoin: Mr. Speaker, I should like to put a supplementary.

Can the minister tell the House whether he knows anything about the subsidies received by the producers of nine European countries, which were to be 28 cents a hundredweight? These subsidies represent dishonest competition for Canadian producers. Is the minister contemplating action to change that situation?

[English]

Mr. Whelan: Mr. Speaker, we reviewed the subsidies paid by the European Economic Community to their dairy producers and we reviewed our subsidies, then we explained to Canadian dairy farmers that the discrepancy is not as great as some people think it is.

HOUSE OF COMMONS

MR. FAULKNER—INQUIRY WHETHER MR. McMILLAN MENTIONED MEMBER FOR KENORA-RAINY RIVER AS SOURCE OF INFORMATION CONCERNING EXCISE TAX ON BOATS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Secretary of State and it is in order perhaps to clear up something relating to the conversation with Mr. McMillan approximately two weeks before the November budget. I am sure that the Secretary will recall if Mr. McMillan had mentioned the name of the hon. member for Kenora-Rainy River in the conversation. Is the Secretary of State prepared to assert flatly or deny that Mr. McMillan during that conversation, in referring to the source of his information that the tax on motors and boats of more than 20 horsepower would be increased to 10 per cent, mentioned the proprietor of Leisureland Marine of Kenora, a firm in Kenora, and that Nelson in turn had received this information from the hon. member for Kenora-Rainy River? Is the Secretary of State prepared to deny that?

● (1130)

Hon. James Hugh Faulkner (Secretary of State): On the contrary, Mr. Speaker, that was the tenor of the conversation yesterday with Mr. McMillan. He recalled the conversation, but as I remember conversations like this—I received many inquiries about the potential change in the tax—since I have been in cabinet I have always taken the view—and this is shared by all my colleagues—that those issues are not discussed, so I tended to give that element of the conversation rather short shrift.

Mr. Stanfield: It would be helpful if the minister were prepared to assert categorically that this information about the alleged increase in the tax to 10 per cent was not attributed to a John Reid, the federal Liberal member for Kenora-Rainy River. Mr. Speaker, I am sorry, I do not enjoy this very much, but I would like to get to the bottom of it. I would like to ask the Secretary of State whether he is prepared—whichever way he wants to put it—to assert categorically that this information was not attributed to a John Reid, the federal Liberal member, in this conversation two weeks before the budget.

Mr. Faulkner: As I pointed out to the House yesterday, I do not remember the conversation. I promised the hon. member for St. John's East that I would go back to Mr. McMillan, which I did, and I asked if he did telephone me. He said he did, and I asked him what the conversation was and what my reply was. He said that he had heard it from a dealer in his area, and I cannot precisely remember whether he introduced Mr. Reid's name. I take it that in the affidavit he contends he did. That is something the Leader of the Opposition should take up with Mr. McMillan. I do not remember the conversation. I told him that I was not prepared to discuss budgetary matters.

MR. REID—SUGGESTION BY MR. McMILLAN MEMBER FOR KENORA-RAINY RIVER SOURCE OF INFORMATION CONCERNING EXCISE TAX ON BOATS

Hon. Robert L. Stanfield (Leader of the Opposition): In my pursuit to get to the bottom of this and perhaps have the matter cleared up, I will ask through the government House leader whether there are any comments his parliamentary secretary would care to make about the charge made by one Thomas McMillan, the proprietor of an outboard firm in Peterborough, that he was informed by the proprietor of Leisureland Marine of Kenora, Ontario, that the tax was going to go up in the budget and that the source of this information was the parliamentary secretary.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I spoke to Mr. Nelson yesterday after the question period. He confirmed that he had not discussed this matter with me until after the budget had come down. He confirmed that the only information he had concerning this came from me after the budget was brought down, and it was contained in my letter to him of December 19, 1974. He then confirmed that he had reported this information to a representative of Outboard Marine, for which company he is a dealer, after he had received this information in writing from me.

I have not seen the document, but from what the Leader of the Opposition has read, it seems to me that there is some confusion because, as I understand it, the tax was coming off, not going on, and I do not want to comment any further because I have not seen the document. I do think from what was said that there is a contradiction in terms of what was actually proposed in the budget and what was actually done.

Mr. Stanfield: Through the government House Leader to the parliamentary secretary, my question relates not to the tax being modified after the budget, but to the budget and to the proposed increase from 3 per cent, as was proposed in May of 1974, to 10 per cent as proposed in the budget of November. The charge is that information originated from the parliamentary secretary, about two weeks before the budget, that the tax was going to be increased from 3 per cent to 10 per cent, and it is contained in an affidavit attributing the source of this information to the parliamentary secretary. The Secretary of State is unable to deny that the name of the parliamentary secretary was mentioned in the conversation, which I would have thought he would have remembered. It relates to two weeks before the budget.

Mr. Reid: Mr. Speaker, then I must say that I categorically deny that. Mr. Nelson and I had no conversations about sales tax until after the budget came down, and then, as hon. members who have looked at the correspondence I tabled yesterday will note, he made very strong and forceful representations about the injustice of it and how it was hurting his business.

MR. REID—SUGGESTED INQUIRY INTO ALLEGATION MEMBER FOR KENORA-RAINY RIVER GAVE OUT INFORMATION CONCERNING EXCISE TAX ON BOATS PRIOR TO BUDGET

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Prime Minister. Mr. McMillan has publicly indicated, I believe by way of the CBC, that he had prior knowledge which came from Mr. Nelson. The statements made by the parliamentary secretary now do not deny the truth of that, but in

light of the conflict which is apparent at this time as to what really did happen, and I do not want to say who was telling the truth, but in order that we determine—

Mr. Turner (Ottawa-Carleton): Wait a minute.

Mr. Alexander: I say that with a great deal of respect. I am not criticizing what the parliamentary secretary said but I am emphasizing what Mr. McMillan has indicated. Does the Prime Minister not think that as a result of this confusion there should be an inquiry with respect to this matter, or that the matter should be put to the Standing Committee on Privileges and Elections in order that the whole matter can be considered?

An hon. Member: Make a charge.

Mr. Alexander: My hon. friend says make a charge. I am not making a charge. I am just trying to determine what went on.

Some hon. Members: Order.

Mr. Speaker: Order, please. With all due respect to the hon. member, his question clearly anticipates a ruling which the Chair has to make on at least three outstanding questions of privilege. That ruling will take place at twelve o'clock. Whether individual members feel that that course should be followed will perhaps be reflected by the way the Chair deals with it and the way hon. members take it after that, but to ask individual members whether the matter should be referred to a committee when in fact three questions are before the House under reservation today for decision as to whether a prima facie question of privilege exists, which would be referred to the standing committee, I think puts an improper light on the question.

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EXPORT DEVELOPMENT CORPORATION

REQUEST FOR REPORT ON ACTION TO ELIMINATE CLAUSE BOYCOTTING ISRAEL

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. On May 8 the Prime Minister, referring to the Arab boycott, made the encouraging statement that this type of practice is alien to everything the government stands for and that he would hope no specific directive to this effect to departments and agencies would be necessary. However on June 2 the Minister of Industry, Trade and Commerce said that the government as a whole will be considering the matter in the very near future, and the view of the government will be communicated to all departments and the Crown corporation. I therefore want to ask the minister whether he can say whether the government has completed this consideration, and if so, what view the government now has of the matter and whether it is communicating this to the Export Development Corporation and other Crown corporations, agencies and departments.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this matter is still under cabinet consideration, but in answer to the hon. member I would say that the answer I gave on a previous occasion, June 2, 1975, still stands until we make a further decision and announcement.

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FISHERIES

CLOSING OF PORTS TO RUSSIAN FISHING VESSELS—KNOWLEDGE OF REPORT BY MR. WEEKS CONCERNING EFFECT OF ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of State (Fisheries). When he made his statement last Wednesday that the government was closing our eastern ports to the Russian fishing fleets, did he have in his possession the report of Mr. Ernest Weeks, a government departmental report, which said that the closing of the ports to Soviet ships would have little effect on the overfishing? That statement has now been fully corroborated by Mr. Louis Day, Secretary General of ICNAF. I ask the minister, further, if he agrees that, apparently, the government has closed the ports to the Russian business, which we want, without closing fishing areas to Russian overfishing, which we do not want?

● (1140)

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I certainly had in mind the report of Mr. Weeks, which is over one and a half years old and which was looking at the long-term development of Canadian ports, if and when Canadian jurisdiction were extended. The subject raised by the hon. member, that of the inconvenience to the Soviet Union, also was not covered in Dr. Weeks report, but at that time the level of visits was not at 400 a year, as it was one year ago. There were almost 200 in the first six months of this year.

As for the latter part of the hon. member's question—I am sorry, my memory fails me at the moment.

ABILITY OF PORTS ON ST. PIERRE AND MIQUELON TO SERVICE RUSSIAN FISHING FLEET—REPORT OF MR. WEEKS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister if his memory failed him on something else, when he told the House on Wednesday that the French islands, St. Pierre and Miquelon, did not have the capacity to service the Russian fleet. Was he aware that Dr. Weeks says in that report that both those islands could service the Russian ships adequately? Is Dr. Weeks in error, or has the capacity of these ports shrunk in the meantime?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, when I said my memory failed me, it was in relation to the third point the hon. member had made. I say again that Dr. Weeks was talking about a situation which existed roughly two years ago. Also, we have indicated to the French government the reasons for our closing. We invited them to consider our friendly relations and that we would find it difficult to understand if they did not support our point of view.

CLOSING OF PORTS TO RUSSIAN FISHING VESSELS—POSSIBILITY OF SERVICING BY OTHER COUNTRIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Has the minister received any indication from the government of France or the government of any other country which might service the Russian fishing fleet as to whether they will follow the Canadian example or undertake to service the Russian fleets which will now be denied access to Canadian east coast ports?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the representative of the government of France was invited in and discussed this question with officials of the Department of External Affairs. He undertook to inform the Canadian government of any increase in the normal level of business at St. Pierre and Miquelon.

Speaking on the point on which my memory failed me, if I remember correctly, the hon. member was suggesting that the closure of the ports should have the effect of removing the fleets off our shores. That was never intended and that was never indicated in my statement, and it is totally irrelevant to the subject. Port closure is related directly to violation of ICNAF regulations.

PROPOSED REDUCTION OF ICNAF QUOTAS BY FORTY PER CENT—POSITION OF CANADIAN QUOTAS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is directed to the Minister of State responsible for fisheries. In view of the unanimous support provided by this House to his negotiations for a 40 per cent decrease in international quotas on off-shore fishing grounds, will the minister explain to the House exactly the position in which that will leave our quotas vis-à-vis the quotas of the international fleet which have been involved in the negotiations?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am grateful to the hon. member for raising that question. After reading carefully the motion, which, unhappily, I received just as I was coming to the House, I realized that, inadvertently, the hon. member for St. John's East was talking about a 40 per cent reduction of quotas. We have asked ICNAF for a 40 per cent reduction in fishing effort by all nations, except Canada. We want to maintain the Canadian catch at its present level.

Mr. McCain: A supplementary question, Mr. Speaker. Is the House to understand that the minister's position entails only the reduction of quotas for foreign fleets and no reduction of quotas for Canadian fleets?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I say to the hon. member, who I am sure supported the Canadian position at ICNAF last June and will support it at the coming meeting, that that is precisely the intent. The reduction would be to the foreign fleet's effort not to the Canadian fleet's.

BASIS UPON WHICH ICNAF QUOTAS ESTABLISHED—SUGGESTED INCREASE IN ALLOWABLE HADDOCK CATCH

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, mine is not a supplementary question. I have been hoping to ask it since Wednesday and it is directed to the Minister of State (Fisheries). Last week, five trawlers operating out of the port of Lunenburg, Nova Scotia, reported that they dumped 94,000 pounds of prime haddock caught in excess of quota in a ten-day period. Will the minister inform the House if the quotas were established as a result of Canadian surveys, and by whom, or on information supplied by foreigners; and, since the present policy is not that of conserving haddock, will the minister immediately take steps to increase the allowable haddock catch, in order to prevent this unnecessary waste of fishing effort, money and food?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, my hearing aid is not working very well. I believe the hon. member was raising the question of fish discards. We have asked the representatives of the industry, mainly the large trawler operators who are most directly involved in these incidents, to meet with us. I know that the leader of this group was in Europe. I understand that officials are to meet him early next week. We want to find a solution, but we want a solution which will be equitable to all, primarily to small and medium sized boats which cannot travel as far offshore as can the larger trawlers involved in these incidents.

Mr. Crouse: A supplementary question, Mr. Speaker. Since 94,000 pounds of haddock were reported as having been dumped by five ships, and as more than 40 large trawlers operate out of Nova Scotia alone, not counting those operating from New Brunswick, Newfoundland and Prince Edward Island, the quantity of haddock being dumped must equal or surpass the landed volume. In light of this tremendous loss of prime food, will the minister take steps to permit all fish once caught by Canadian fishermen to be landed at Canadian ports until the 200-mile economic zone is either determined internationally or unilaterally by this government?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the hon. member's suggestion is very appealing, but there is one serious disadvantage. It could re-open the whole area. This would mean that we do not recognize the ICNAF regulation and the quotas to which we have agreed. This could open the whole area to foreign fishing fleets, which is exactly what we are trying to avoid.

* * *

NORTHERN AFFAIRS

USE OF CANADIAN ENGINEERS ON MAJOR PROJECTS IN NORTHERN AREAS—GOVERNMENT POSITION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and arises from discussions and exchange of correspondence between the minister and myself respecting the extent to which Canadian engineers will be used on major technical projects in the far north.

Will the minister indicate what progress has been made to ensure that Canadian engineering will be used in future large-scale engineering projects in the far north?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member is quite correct. There was considerable concern felt when the contract let by Imperial Oil for the Taglu plant went to the Fluor Company. As a result the government has, therefore, decided to clarify its Canadian participation policy in the key area of engineering and project management by setting an objective that such services must be carried out by firms which are beneficially owned or controlled by Canadians, or else performed or serviced by Canadians, unless it is clearly demonstrated that the necessary capacity does not exist in Canada. We feel that the appropriate figure should be at least 90 per cent. Most of the work should be done here, in Canada.

Mr. Andre: A supplementary question, Mr. Speaker. Can the minister clarify whether this matter will be put in the form of guidelines or in the form of legislation; and, if there are guidelines, is the minister prepared to table them in the House, or table them as soon as they are available?

Mr. Buchanan: Mr. Speaker, there is an inter-departmental committee, chaired by the Department of Industry, Trade and Commerce, to which an application for work of this nature should be referred and the committee will make the decision on it.

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TRANSPORT

AREA OF APPLICABILITY OF FREEZE ON RAILWAY LINE ABANDONMENT—GOVERNMENT ACTION IN CONNECTION WITH ESQUIMALT-NANAIMO LINE

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is to the Minister of Transport. On July 18, replying to my question, the minister stated that he believed the railroad abandonment freeze applies to all western provinces. My question is this. What action can the government take when a rail line, such as the Esquimalt-Nanaimo rail line on Vancouver Island, is abandoned, contrary to the government's stated policy?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, when I answered the hon. member's question, I said that I believed the policy applied to all western provinces, including B.C. I ought to clarify. I have learned that it does not include B.C.; it includes only Alberta, Saskatchewan and Manitoba.

• (1150)

EXTERNAL AFFAIRS

UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS IN VANCOUVER—GOVERNMENT POSITION ON ADMISSION OF DELEGATES AND HOLDING OF CONFERENCE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the answer given Monday to the hon. member for Kingston and the Islands that preparations for the United Nations Conference on Human Settlement in Vancouver next year will continue and in light of the reaction of the United Nations to Canada's postponement of the Toronto conference, will the minister now say what is the government's intention on admission of delegates to the Vancouver conference, keeping in mind that delay similar to that in the Toronto decision will put Canada in another embarrassing position and place Vancouver in a very difficult financial position in relation to the ongoing development done at the urging of the federal government.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the situation is simply this. Preparations for the conference in Vancouver are going ahead. There has been no balk in that respect. That was stated by myself in the House and I am happy to confirm it today. With regard to the admission of members of the PLO, I have stated elsewhere the situation. It is properly a matter for the Minister of Manpower and Immigration, but I think it ought not to be put in context with regard to this question. The government has decided that members of the PLO who are non-terrorists will be admitted to Canada under ministerial permit for attendance at the invitation of reputable Canadian organizations or at UN conferences.

Mr. Clarke: Mr. Speaker, I will direct my supplementary question to the Secretary of State for Urban Affairs. Is it still the view of the minister that the 1976 conference in Vancouver is viable? Also, does the government plan to carry on with preparations for the conference in Vancouver in spite of the withdrawal of the urban demonstration program and in view of the answer of the Secretary of State for External Affairs?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, not only are plans going ahead, but they are being accelerated to the extent they should at this stage of the preparations for that conference within the parameters indicated by my colleague, the Secretary of State for External Affairs.

* * *

[*Translation*]

DISASTERS

FEDERAL AID TO VICTIMS OF TORNADO AT SAINT-BONAVENTURE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

With reference to the joint motion introduced earlier by the hon. member for Drummond and the hon. member for

Saint-Hyacinthe, could the Prime Minister assure the House that the Saint-Bonaventure disaster victims can count on immediate assistance from the federal government, through all its departments concerned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as indicated by the hon. member, the House has agreed to the motion of the hon. member for Drummond that the government should assist as much as possible the disaster victims of Saint-Bonaventure. I should like merely to remind the House that the federal government is always willing to help. There is a procedure we must follow whenever the province of Quebec or some other province submits an application in respect of a disaster area. There exist all sorts of means to assist disaster victims. It is the responsibility of the hon. member for Drummond, within which the disaster area is situated, to see that the Quebec government submits a formal application to the federal government.

Mr. Wagner: Mr. Speaker, I should like to put a supplementary question to the Minister of Regional Economic Expansion.

Has the minister received a request for assistance from the Quebec government and if not has he already taken some steps to help that disaster area?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have not been in my office for a couple of hours. Before that, there certainly had not been a representation, which I think is understandable. I suspect the province would want some time to assess the damage. I will be glad to do whatever I can in conjunction with other departments and the province to see what we can do to assist in that area. I might point out there is a disaster formula program which, I believe, is administered by other departments of government. However, we will certainly supplement those efforts if we are asked.

* * *

ENERGY

PROPOSED FEDERAL FEASIBILITY STUDY OF ENRICHED URANIUM PLANT AT JAMES BAY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Now that the federal government has decided to proceed with its own feasibility study of an enriched uranium plant in the James Bay area, will the minister tell the House what aspects will be looked into by the federal study that he feels were not dealt with by the Canadif report to which the government has access?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the conversations are not completed with the province of Quebec with respect to a mutual study of this question. The important concerns that we feel should be studied are firstly with regard to the suitability of the diffusion process for the purpose of uranium enrichment. As the time for the centrifugal process comes with, of course, much lower cost, does diffusion still represent the best method of achieving this? What would be the impact of this particular development if it were to go ahead on the availability of energy, not just in the province of Quebec but within an eastern grid, which is one of the objectives of this government? What would be the impact of this kind of investment on availability of funds and of real resources, such as equipment and manpower, compared to the other demands that will occur throughout Canada to meet energy needs and, above all, what will be the availability of foreign as opposed to Canadian uranium to be serviced by such a plant so that there will not be in the future any insistence on a higher level of Canadian exports of enriched uranium take place than we regard as within the national interest from the standpoint of the reserve formula.

PROPOSED ENRICHED URANIUM PLANT AT JAMES BAY—REQUEST FOR TABLING OF CANADIF FEASIBILITY STUDY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I thank the minister for his reply. Since on July 11 the minister undertook to inquire if the parties involved in the Canadif study were prepared to have it made public, is he now in a position to make this available to members of the House of Commons? If not, when does he anticipate being able to do so?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I am sorry, Mr. Speaker. I apologize to the hon. member. The inquiry has been made. I cannot report this morning on the response or if indeed there has been a response. I will inquire about a response.

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AIR TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—REQUEST FOR FURTHER INQUIRY

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Transport with regard to the Panarctic airplane crash. Will the minister request that another inquiry be sought in Alberta so that the co-pilot and flight engineer may be subpoenaed to attend and this whole matter can be cleared up?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will study this question and give an answer to the hon. member.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

TABLING OF FOURTH REPORT OF ADVISORY GROUP ON EXECUTIVE COMPENSATION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, in both official languages,

under Standing Order 41(2), the fourth report of the advisory group on executive compensation in the public service.

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EXTERNAL AFFAIRS

TABLING OF AGREEMENT BETWEEN IAEA AND GOVERNMENT OF ARGENTINA ON CANDU REACTOR SAFEGUARDS

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I should like to table a copy of the agreement between the International Atomic Energy Agency and the government of the republic of Argentina on the application of safeguards. I have asked for an authenticated French translation from the energy agency, which I will make available. Because of the possibility of an early closing of the House, I have departed from established precedent in not tabling this agreement in both official languages. I hope this will be understood.

Mr. Broadbent: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Is the hon. member rising on a question of privilege with regard to the tabling of documents?

Mr. Broadbent: No, Mr. Speaker. Your Honour suggested earlier today that those who had questions of privilege arising out of the alleged activities of the hon. member for Kenora-Rainy River (Mr. Reid) should raise them at twelve o'clock, and I do so.

Mr. Speaker: I propose to take all outstanding questions of privilege with respect to that matter under Motions, which will be called very shortly.

* * *

● (1200)

WEIGHTS AND MEASURES

GUIDELINE DATES FOR METRIC CONVERSION—REFERENCE TO COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the order numbered Government Business No. 9 be discharged; and

That the Standing Committee on Finance, Trade and Economic Affairs be authorized to consider the government's program of guideline dates for metric conversion.

Mr. Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later this day.

* * *

BUSINESS OF THE HOUSE

ALLOCATION OF TIME FOR BILL C-2

On the order: Motions:

[Mr. Trudeau.]

Mr. Sharp: Mr. Speaker, there have been some discussions among the House leaders dealing with Bill C-2, and I am prepared to move a motion under Standing Order 75A. However, I would like to be certain of the support of the other House leaders. There have been some exchanges which relate to a statement by the Minister of Consumer and Corporate Affairs. I would therefore invite you, Mr. Speaker, to ask the other House leaders whether they are in agreement to proceed with a motion under Standing Order 75A today.

Mr. Baldwin: Mr. Speaker, I am always prepared to support the President of the Privy Council when there is justice and equity involved. If the Minister of Consumer and Corporate Affairs is prepared to make a statement, as I understand he is, with regard to one item which has been contentious, I am sure this would facilitate our giving the government the kind of order about which the President of the Privy Council is speaking.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, it was our understanding that agreement had been reached for a motion under Standing Order 75A specifying that later in the session, in other words, when we come back, the debate on the remaining report stage motions and on third reading would be limited to a total of two days.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Beaudoin: We have had some discussions, Mr. Speaker, and we have agreed to let Bill C-2 pass within two days.

Mr. Ouellet: Mr. Speaker, if the House is prepared to restrict the debate on Bill C-2 to two days this fall, in a spirit of co-operation, I am willing to assure hon. members that I will move, in due time, an amendment to clause 31.4 which could partly satisfy the hon. member for York-Simcoe (Mr. Stevens) on the matter of franchises. This amendment would partly include the terms of motion No. 5 now appearing on the order paper.

[*English*]

Mr. Sharp: I now move:

That in relation to Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, two sitting days shall be allotted to the consideration of the report stage and the third reading and passage stage of the said bill;

That, after the disposal of the report stage of the said bill, the House shall proceed forthwith to the consideration of the third reading and passage stage of the said bill; and

That, on the second of the said days, at fifteen minutes before the expiry of the time provided for government business in such sitting, any proceeding then before the House shall be interrupted, if required for the purpose of this order, in turn, every question then necessary in order to dispose of the report stage and the third reading and passage stage of the said bill shall be put forthwith and successively without further debate or amendment.

Motion agreed to.

Mr. Sharp: I should add that it would not be our intention to call Bill C-2 before we recess. Might I also ask whether there could be agreement, or perhaps an order of the House, that after we have disposed of Bill C-66 today—

it is the only government business which remains, as far as the government is concerned—we should revert to motions for the purpose of putting the motion for the adjournment of the House later this day?

Mr. Speaker: It has been proposed by the President of the Privy Council that the House revert to motions later in the day. However, the terminology leaves a number of open-ended factors. First of all, it is conditional upon the passage of a bill and, second, no time is specified. I am not at all sure it is possible for the House to make an order with both these factors unresolved. Perhaps the House could simply indicate that it agrees in principle that the President of the Privy Council might return to the House at a later hour, under other conditions, and apply to the House at that time for permission to revert to motions; the House having given its agreement in principle at this time would not then interfere with the intentions of the President of the Privy Council.

Mr. Knowles (Winnipeg North Centre): We agree to that, Mr. Speaker. I would point out that the manner in which the government House leader put forward his proposition reminded us of what happens to us when we ask hypothetical questions.

Some hon. Members: Oh, oh!

Mr. Speaker: Is that consensus of intention agreeable to all members?

Some hon. Members: Agreed.

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PRIVILEGE

MR. REID—NEWSPAPER ARTICLE ALLEGING NOVEMBER BUDGET LEAK

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there are two points I wish to make at this time. The first is that I have instructed legal counsel to take all appropriate action against the Montreal *Gazette* as a result of the statements which were published yesterday and the lack of an adequate retraction. I have also asked that the same action be applied to *La Presse* of Montreal which carried a verbatim translation of the article which appeared in the *Gazette* of yesterday morning.

The second point I wish to make is that I have been informed, through my office, that Mr. Nelson of Kenora informed my office that the only communication he had with Outboard Marine Corporation concerning this tax was that he sent the sales manager a copy of my letter to him on December 19.

These are the only two points I wish to make, Mr. Speaker, in addition to what I said yesterday. I am prepared to hear your decision and abide by it. If you find there is a prima facie case of privilege, personal privilege in my case, I have a motion which I would be prepared to move.

Mr. Speaker: Perhaps before making a decision I might hear the terms of the hon. member's proposed motion.

Mr. Reid: Mr. Speaker, the motion I would move is as follows:

That all articles contained in the July 24, 25 and any subsequent editions of the Montreal *Gazette* relating to the conduct of the member for Kenora-Rainy River vis-à-vis the November 18 budget, including most especially the allegations that the said member had advance knowledge of the said budget and conveyed that knowledge to businessmen, and the discrepancy in the editing of the *Gazette's* purported transcript of the proceedings of this House as compared to the report in the House of Commons Debates for yesterday be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Order, please. I might, in passing, express some concern about the words "and subsequent editions" because it might appear that we are dealing today with events which could take place on an unending basis. However, I asked the hon. member to read the motion in order that I might have some guidance as to the precise matter which he wanted to have referred to the committee. There are other members who have given the Chair notice, and I take it they ought to be given an opportunity to develop his own question of privilege or to comment on the one which is before the House before I try to make a decision.

● (1210)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, we believe that this is a bigger question than the simple one whether the parliamentary secretary has a matter of personal privilege that should or should not be referred to the standing committee. I note that the parliamentary secretary indicated that he intends to take legal action against the two newspapers to which he has referred. However, I would point out that perhaps that confirms the fact that not only in most members' minds, but also in the mind of the parliamentary secretary, the *Gazette* did not withdraw or retract in a substantial way the version in their report which appeared on July 24. I say that because I would draw to the attention of hon. members the statements made in this House yesterday by the parliamentary secretary, as reported at page 7887 of *Hansard*. He said:

I have asked the *Gazette* to publish a retraction and apology. If they fail to do so, I can only conclude that it was malicious. If there was malicious intent, then there are serious implications for all members of this House—

He continued:

—if the *Gazette* refuses to make a retraction tomorrow, and thereby makes it clear that this false and misleading story was published as a result of conscious and malicious intent... I would propose then to move—

He then recited his proposed motion. I think I should be put on the record exactly what the *Gazette* said in their editorial today. Under an editorial headed "Yes, but..." the editorial reads:

John Reid, Liberal MP for Kenora-Rainy River and Parliamentary Secretary to Privy Council President Mitchell Sharp, disclosed advance information not about last November's budget itself but about a later amendment to the budget.

The editorial continues:

The divulgence of inside information on tax change prior to public announcement is, however, just as serious whether that tax change is included in the budget or in an amendment.

From reading the statement of the parliamentary secretary and the apology that appears in the editorial of the *Gazette*, I believe it is clear that there has been no retrac-

tion in substance, that there is no apology to speak of. I also believe that the malicious intent to which the parliamentary secretary referred yesterday has serious implications for all members of this House. That malicious intent, if it exists, is still not resolved, and I feel that the failure to examine this matter leaves a public cloud over the integrity of every member of this House, if not of parliament itself.

I also point out that in statements made in this House and in letters tabled there appear to be certain conflicts of evidence. I refer specifically to a letter that was tabled by the parliamentary secretary in which he stated:

I have spoken to the Department of Finance officials as well as the minister, and I understand they are likely to relieve the excise tax against boats, although not on motors.

That letter is dated December 19, more than a month before the actual amendment removing the tax was introduced on January 28 of this year. On questioning, however, we find that the Minister of Finance (Mr. Turner) is relatively indecisive whether he ever discussed this matter specifically with the parliamentary secretary, and I would say that he was indecisive whether any departmental official was involved.

I would also point out that in the statements made by the Secretary of State (Mr. Faulkner) today there seem to be certain conflicts with the subsequent statements made by the parliamentary secretary concerning evidence and statements made and given to the Secretary of State either about pre-budget or pre-amendment leaks.

Having indicated those conflicts in certain statements, once again I would emphasize that this is surely a matter for the entire House to be concerned with. I believe that the only proper way of having the matter dealt with is by a reference to the Standing Committee on Privileges and Elections. If Your Honour does not feel it in order to refer the matter in the context that the parliamentary secretary has requested it be referred, I would move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the question of advance knowledge by the hon. member for Kenora-Rainy River, certain of his constituents and others of the January 28 amendment to the excise tax bill, and in particular the subject matter of the articles and editorial in the Montreal *Gazette* concerning the hon. member for Kenora-Rainy River, published July 24 and July 25 of this year, be referred to the Standing Committee on Privileges and Elections, and that the committee sit at the earliest opportunity, have power to adjourn from place to place in Canada, that it sit while the House is not sitting, and that it have full power to call for persons and papers.

Mr. Speaker: Order, please. Hon. members might be concerned about the presence of two or more motions being moved at the same time. Any proposed motion that has been put forward is put forward conditionally upon the Chair finding a prima facie question of privilege; the motion cannot in fact be moved but, rather, is a contribution to the question of privilege that is being raised alternatively by the hon. member for Kenora-Rainy River (Mr. Reid) or to the question raised by the hon. member for York-Simcoe (Mr. Stevens). I have also received notice of a question of privilege from the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Okanagan-Kootenay (Mr. Johnston), but I see the Minister of Finance (Mr. Turner) is seeking the floor on a point of order.

[Mr. Stevens.]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order arising out of what the hon. member for York-Simcoe (Mr. Stevens) has just said. He alleges indecision regarding my ability to be precise about conversations with the hon. member for Kenora-Rainy River (Mr. Reid). That, of course, is so, but I did declare quite categorically to the House that on no occasion was either the hon. member for Kenora-Rainy River, or any other member of the House for that matter, given any advance information of the excise provisions in the budget of November 18, or for that matter any other provision.

Mr. Broadbent: By yourself?

Mr. Turner (Ottawa-Carleton): By myself, or, to the best of my knowledge, by my officials.

An hon. Member: To the best of your knowledge.

Mr. Turner (Ottawa-Carleton): Yes, to the best of my knowledge.

Mr. Sharp: What more can you get than that?

Mr. Turner (Ottawa-Carleton): Nor was any advance information given to the hon. member for Kenora-Rainy River or to any other member of the intention to present that amendment to the House, other than my cabinet colleagues.

Mr. Speaker: Order, please. It is probably premature to give an indication of the stand that I propose to take respecting the point raised by the hon. member for Kenora-Rainy River. However, I would ask other hon. members who wish to make a contribution at this time to make it as brief as possible.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I too rise on a question of privilege. My question arises from articles published in the Montreal *Gazette* both yesterday and today, and from statements made in the House by the hon. member for Kenora-Rainy River (Mr. Reid) both yesterday and today. My question of privilege pertains to the fundamental importance of the principle of the maintenance of total secrecy of concerning tax changes in our system of government.

Claims have been made that the hon. member for Kenora-Rainy River not only had prior certain knowledge of changes that were to be made to the budget in the fall of 1974, but that he conveyed such knowledge to others who may or may not have stood to gain personally from such knowledge. Although the hon. member for Kenora-Rainy River denies the accuracy of those claims, the Montreal *Gazette* stands by its original substantive contention. Specifically, that newspaper reiterated in today's issue that the hon. member for Kenora-Rainy River confirmed that he told their reporter, with reference to the forthcoming budgetary change at issue here:

● (1220)

We put on a lobby and we knew about six weeks before it was announced that it was coming off the boats but not the motors.

Mr. Speaker, if accurate, this in itself constitutes a serious breach of privilege which goes to the root of the parliamentary system. Serious questions must be asked

and answered. The very important matter of confidentiality and responsibility in our system of government involving not only the member for Kenora-Rainy River but also the Minister of Finance (Mr. Turner) is at issue.

If Your Honour should rule that I have a prima facie case for a question of privilege, I would move:

That charges relating to the release of confidential information concerning tax changes as set out in the Montreal *Gazette* of July 24 and July 25, 1975, and statements made in relation thereto in the House of Commons on the same two days, be referred to the Standing Committee on Privileges and Elections, that the said committee be instructed to call the hon. member for Kenora-Rainy River, the Minister of Finance, Mr. Jacques Hamilton, officials of government departments with whom the member for Kenora-Rainy River is alleged to have had conversations concerning tax changes, and any other persons alleged to have had prior knowledge of forthcoming tax changes, and that the committee be authorized to sit during any recess of the House of Commons.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, in proceedings yesterday the hon. member for Kenora-Rainy River (Mr. Reid) quoted comments of mine in part that appeared in the *Minutes of Proceedings and Evidence* of the Standing Committee on Privileges and Elections, issue No. 12 of Thursday, March 6, 1975. Reference was made to those comments again today, and the hon. member rather graciously refused to name the source of them. I would not want an impression left that there was any wish on my part to shelter under a cloak of secrecy nor any reason why there should be. In order to set the record straight, I should like to quote the entire paragraph referred to by the hon. member for Kenora-Rainy River.

Mr. Speaker, I might say that in what the *Gazette* called an unabridged but edited version of what happened in the House yesterday there was an unfortunate abridgement which left the impression with any reader of that page that my remarks had actually come from the hon. member for Kenora-Rainy River.

Some hon. Members: Hear, hear!

Mr. Johnston: I know the hon. member is loquacious enough that he does not need any help from me in this regard, but this is what has been said, and it was in reference to what I think all members at the time assumed was a hypothetical case. I said:

I am just surprised at how wide the thing is being cast in the example that our witness from Kenora-Rainy River has given us, the particular example that he took. Much of what is involved in this whole business of conflict of interest is how the public sees it and interprets it. I for one on that very precise example said to various people, the Minister is going to withdraw this excise tax provision. And I had no confidential information whatsoever. It was just a good guess on my part, an intuition. I have no stock in any small boat company of any kind, nor did I rush out to purchase any following my statements. But I have no way of knowing whether some of the people who were petitioning me, as you suggested, immediately went out and altered their course of action and when my words turned out to be prophetic, again, I would have no way of knowing. But if anybody did I would hate to think I somehow was now in conflict of interest, or presumed to be, or seemed to be in conflict of interest, simply because I was a bit intuitive.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise on the same matter but a different aspect. As a private member of this House, I should like to raise a question of privilege. Yesterday and today at various points in his remarks and answers, the hon. member for Kenora-Rainy River (Mr. Reid), by direct reference, implication or inference lumped other members of parliament in with himself in terms of representations on the issue of the tax on motors and boats. I submit, Mr. Speaker, that by implication, inference and direct statement he implied that other members of parliament had advance information and knew that such a tax change was going to occur before it did occur.

On December 9, 1974, I wrote to the Minister of Finance (Mr. Turner) and made a submission on behalf of three people who had written to me representing two different companies in my constituency. I asked the minister if he would give consideration to exempting the sales tax for people living in remote areas. The minister replied on January 13, and I will quote the meat of his letter as follows:

I have noted your concern related to the impact of the proposed tax on persons living in remote areas. You may be assured that this matter will be reviewed prior to parliament's final consideration of the proposed legislation to implement the special excise tax.

That is all the information I was able to elicit from the minister—the minister only, and from nobody else. I feel, Mr. Speaker, in the context of the issue you are deciding as a matter of privilege, that by inference, implication and direct statement other members of parliament are included in this matter of prior knowledge.

I also feel there is a question of privilege involved in the manner in which the hon. member for Kenora-Rainy River replied to the hon. member for Oshawa-Whitby (Mr. Broadbent) today, saying in effect that if members of the New Democratic Party did not know of this in advance, by implication they were not doing their job. Mr. Speaker, we made the normal recommendations that other members of parliament made. The hon. member also implied, I submit, that we had advance information, and that if we did not have it we were not doing our job. To add to the injury for other members of this House, as my leader reported to Your Honour earlier today the Montreal *Gazette* in an editorial today reports:

Mr. Reid has confirmed to us he told our reporter, "We put on a lobby and we knew about six weeks before it was announced that it was coming off the boats but not the motors."

I submit, Mr. Speaker, that "we knew" implies that he and other members of parliament knew. I sure as hell did not know, and the Minister of Finance quite rightly made sure I did not know and indicated that in his letter of January 13. I think the hon. member for Kenora-Rainy River should rise in this House and make it abundantly clear that this involves him and him only, and no other member of this House.

Some hon. Members: Hear, hear!

Mr. Benjamin: If he has any reason to think otherwise, he had better damned well say so and he had better say it now. That is my question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. Dealing with the easy part first, perhaps, the alleged question of privilege raised by the hon. member for Regina-Lake Centre (Mr. Benjamin)

is a question of difference, of disagreement. The hon. member can take it up in the way he has, or in some other way. For the hon. member for Kenora-Rainy River now to stand in the House and endeavour to say that he was the only one in possession of that information would certainly discount the remarks of the hon. member for Okanagan-Kootenay (Mr. Johnston) who has indicated that he was in a similar position. I think this might be clarified in some other way. This could be a matter for debate or discussion, but to my way of thinking it does not in any way constitute a question of privilege. The hon. member for Greenwood (Mr. Brewin).

● (1230)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I just want to say, very briefly, that I urge upon Your Honour that indeed there is a question of privilege here. I am much assisted in that conclusion by the words of the hon. member for Kenora-Rainy River (Mr. Reid) in the Standing Committee on Privileges and Elections.

We are all familiar with the ancient parliamentary tradition, maintained with great strictness, about the secrecy of budgets and budgetary matters resulting from the actual budget. This matter is discussed by the hon. member for Kenora-Rainy River in the committee on privileges and elections. Several very interesting points are raised by him in the *Minutes of Proceedings and Evidence*, issue No. 12, of that particular committee. I do not wish to read the whole of the very interesting passages. The hon. member raised the question of changes in income tax and went on to say:

> If you have a fairly good idea, based on information that came to you in a confidential way, that the Minister of Finance might and is likely to take that step, and you arrange your affairs so as to take advantage of it or tell people who can arrange their affairs so as to take advantage of it, then it seems to me that you are in conflict of interest.

That is the precise allegation we are discussing here. If one is in conflict of interest, this parliament is the place and the committee on privileges and elections is the committee which should inquire into the alleged conflict of interest. Perhaps I am labouring the obvious, but I suggest there is no possible doubt that there is indeed a prima facie case of breach of privilege. I say "prima facie" because the committee may make very different findings and the House may reject any such case. But I ask you, sir, to rule that there is indeed a prima facie case of privilege.

Mr. Speaker: Order, please. In terms of the basic question which I have to decide, I do not think it is necessary to hear any further representations. The proposed motions that have been put forward by the hon. member for York-Simcoe (Mr. Stevens) and the hon. member for Oshawa-Whitby (Mr. Broadbent) are similar in two very fundamental respects. Both relate to the subject of an investigation by the Standing Committee on Privileges and Elections as to conflict of interest in general terms.

I would remind hon. members that if they seek consideration of a general question of that sort, there is nothing to restrict them in their ability to put down a substantive motion at any time and to ask the House to consider the advisability of examining the question of conflict of interest or even the actions in a particular instance of what might be an example. I differentiate in the fact that what is sought by way of a question of privilege, if it relates to the conduct of an individual member, must be a specific charge that that member has in fact done something that abuses the privileges of the House, and the member who puts forward such a motion ought to have the burden of taking it before the committee.

This is not to say that no member in a situation of this sort—I want to repeat and emphasize this—has the power to say that because of this examination, or because of the possibility that exists, we ought to be able to examine the question of conflict of interest or leakage of budget secrets, or whatever the general subject may be. Any hon. member who wants to move the House to that effect is able to do it by way of a substantive motion.

Procedurally, what I have to decide is whether such a request for a general investigation into the grounds of a specialized motion of privilege gives it precedence over other general motions. My general impression, without going into the details, for reasons which I will elaborate later, is that I will probably not find in favour of a request for a general investigation of the case by the committee, in other words, that the Standing Committee on Privileges and Elections find the facts and that the committee find out whether such an abuse of the practices of the House has taken place. I would think that a motion, to be a privilege motion, would have to be much more specific than that in respect of the conduct of any member. I think that is a long established precedent of the House and we have to remain with it.

On the other hand, I am spared some of the agony that the decision would involve, in my opinion, by virtue of the fact that it is not another member who seeks to charge the hon. member for Kenora-Rainy River (Mr. Reid) with a breach of conduct. Rather, in the circumstances it is the hon. member for Kenora-Rainy River himself who, in his own motion for privilege, seeks to have the committee examine the conduct of the Montreal *Gazette* and another newspaper, obviously inviting, in the examination of that, an examination of the veracity of their statements and therefore an examination of his own conduct as a member by the standing committee.

An article has been described in the House as having accused an hon. member of a breach of the Official Secrets Act and of a breach of his privileges or rights or an abuse of his rights as a member of this House. The hon. member stood in his place and denied the accuracy of that article. Therefore, what is at issue is an alleged use of a national newspaper to accuse, falsely, a member of a misuse of his privileges as a member of this House.

Certainly, there has been a disposition on all sides of the House to say that, if there is a suggestion that such a thing has taken place, it is a fundamental interference with the rights of every member of the House of Commons to operate freely and perform his functions freely. If that question exists in general terms—and in the circumstances which are before me I can scarcely decide otherwise—I cannot see in any way that the Chair ought to interpose itself, from a procedural point of view, and prevent the House having an opportunity to take a decision in respect of the matter. I do stress, that it is, in the final analysis, a decision of this House which will say whether or not the matter goes to the committee on privi-

leges and elections where the matters that have been discussed and raised by almost all members who have participated can be dealt with.

Therefore, I have no hesitation, under the circumstances, to say that in my opinion the hon. member for Kenora-Rainy River does, in fact, have a prima facie case of privilege and the House ought now to decide on the disposition of that prima facie case of privilege in the terms of the motion he has put forward, which is as follows:

That all articles contained in the July 24th, July 25th and any subsequent editions of the Montreal *Gazette* relating to the conduct of the member for Kenora-Rainy River vis-à-vis the November 18th budget, including most especially the allegation that the said member had advance knowledge of the said budget and conveyed that knowledge to businessmen, and the discrepancy in the editing of the *Gazette's* purported transcript of the proceedings of this House as compared to the report in the House of Commons Debates, be referred to the Standing Committee on Privileges and Elections.

In that motion, I presume the hon. member for Kenora-Rainy River is supported by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier). I suggest the House ought to take a decision. There is a question of whether or not the members ought to be called in before the House takes a decision on the matter, or whether it is possible to simply put that question to the House now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in respect of our procedure from this point on. In view of the fact that this motion is debatable, it seems to me it would only be fair for members to have copies of it in their hands. The fact that two other members have indicated motions they would like to move, in different terms, may result in one or the other of them wishing to move an amendment to the motion in the name of the hon. member for Kenora-Rainy River (Mr. Reid).

I therefore suggest to the House that we use the time between now and one o'clock on something else, perhaps Bill C-66, and that the debate on the motion of the hon. member for Kenora-Rainy River be postponed until two o'clock.

Mr. Johnston: Mr. Speaker, I have a point of order arising out of your remarks in which you were separating my position from that of the hon. member for Regina-Lake Centre (Mr. Benjamin). I would also like to make abundantly clear that there is a separation between my position and that of the hon. member for Kenora-Rainy River (Mr. Reid). At no time had I had any private conversations whatsoever with the Minister of Finance (Mr. Turner), and any intuitions that came to me came simply from observing this chamber and the course of the debate.

● (1240)

Mr. Speaker: I am dealing, now, only with points of order. Standing Order 17 requires that in such a circumstance the question shall be put forthwith. I am prepared to delay it on the suggestion of the hon. member, but that is the only question to which we are addressing ourselves at the moment, whether we should proceed forthwith, whether the debate should commence now, or whether it should commence at two o'clock.

Mr. Woolliams: Mr. Speaker, I would like you to consider very seriously the following question, and I will be brief. If this matter goes to committee, and if we are to accept what the hon. member for Kenora-Rainy River (Mr. Reid) said, namely, that he intends to take action—I assume in a high court—then I want you to consider very carefully, sir, as the head officer of this chamber, whether there can be an investigation going on in the committee at a time when legal action is being taken in a high court of the land.

Mr. Stevens: Mr. Speaker, I simply rise to indicate my general support for the suggestion brought forth by the hon. member for Winnipeg North Centre (Mr. Knowles). I think it would be proper to resume the debate on this motion at two o'clock.

Mr. Lawrence: Mr. Speaker, I simply rise to seek clarification from you of the terms of reference that you indicated. I presume that under the general clause in the terms of reference, the committee would also have the power to send for persons and papers relating to this matter, and that this would be addended. If so, sir, I merely seek clarification, as well, in respect of those terms of reference, as to whether they would also give the committee the power to send for Cabinet ministers as witnesses before the committee, so that they could give the facts in relation not only to themselves but also to the people for whom they have a responsibility.

Mr. Speaker: Order, please. Perhaps those are considerations that should be taken up privately among members between now and two o'clock. Those are matters to which consideration should be given and on which there should be consultations, and at two o'clock the House can see what motion might be presented to the House for consideration at that time. Is the House agreed that the matter be taken up at 2 p.m.?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 1,336, 2,478, 2,542, 2,577, 2,578, 2,675, 2,683, 2,748, 2,863, 2,864, and 2,906.

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

Order Paper Questions

[*Text*]

"AN INVESTIGATION OF THE HEALTH STATUS OF INHABITANTS OF YELLOWKNIFE"

Question No. 1,336—**Mr. Firth:**

1. How many copies of the report entitled "An investigation of the health status of inhabitants of Yellowknife, Northwest Territories" by de Villiers and Baker have been sent to individuals and agencies?

2. (a) To whom were such copies addressed (b) on what date were they sent?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 108 (approximately).

2. (a) and (b) Commissioner and Deputy Commissioner of Northwest Territories—Copies sent 1971; Chairman, Technical Committee, Northwest Territories Water Board, I.N.A., Yellowknife—Copies sent 1971; Regional Director, Northern Region, Medical Services Branch, Department of National Health and Welfare—Copies sent 1971; Town of Yellowknife—Copy sent 1972; Parliamentary Library, Copies sent 1975; National Health and Welfare Library, Copies sent 1975; Medical Services Library, National Health and Welfare, Copies sent 1975; On January 30, 1975, copies were sent to: Mr. Brian Colli, 2241 Princess Avenue, Brandon, Manitoba; Mr. Ken Shields, Eastern Forest Products Laboratory, Department of the Environment, 800 Montreal Road, Ottawa, Ontario; Mr. R. T. Dancer, 1311 Albany Drive, Ottawa, Ontario; Mr. Kenneth B. Peoples, 251 Bleeker Avenue, Belleville, Ontario; Mr. W. G. MacLeod, 2386 West 14th Avenue, Vancouver, British Columbia; Mr. T. Feller, Phase III, McMaster Medical Centre, Hamilton, Ontario; Dr. J. A. Arsenault, Professor, Department of Human Sciences, CEGEP; P.O. Box 590, Gaspé, Québec; Dr. Carl J. Cuneo, Assistant Professor, Department of Sociology, McMaster University, 1280 Main Street West, Hamilton, Ontario; Miss Heather Mitchell, Barrister and Solicitor, 467 Church Street, Toronto, Ontario; Mr. L. W. Hollingshead, Chemistry Instructor, Southern Alberta Institute of Technology, 1301 16th Avenue N.W., Calgary, Alberta; Mr. J. R. Marier, Environmental Secretariat, National Research Council, 100 Sussex Drive, Ottawa, Ontario; Mr. David T. McCann, Box 1327, Yellowknife, N.W.T.; Dr. David F. Aberle, Professor of Anthropology, Department of Anthropology & Sociology, University of British Columbia, Vancouver, British Columbia. In addition, some 70 copies of the report were made available to various individuals and groups, including media representatives and government departments; however, specific records stating on what date and to whom these were sent, were not maintained.

AUTOMOTIVE PAYROLL

Question No. 2,478—**Mr. Kaplan:**

For each year since the signing of the auto pact (a) what was the automotive payroll of the automobile manufacturers of North America (b) what percentage of the total was paid to employees in Canada?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following information on the automotive payroll of the automobile manufacturers of Canada. Data is not available from Statistics Canada for the remainder of North America.

(a) Total Annual Payroll(1) for Motor Vehicle Manufacturing(2) among Larger-Firms(3), Canada, 1957 to 1974, in dollars

1957	51,385,553	1966	121,504,673	
1958	44,509,799	1967	125,019,162	
1959	55,219,666	1968	140,935,987	
1960	54,679,973	1969	161,035,952	
1961	57,291,421	1970	158,625,661	
1962	66,268,258	1971	195,898,766	prel.
1963	80,154,855	1972	227,317,106	prel.
1964	94,909,412	1973	274,446,420	prel.
1965	115,986,746	1974	295,458,246	prel.

NOTES: (1) Refer to catalogue 42-209, Motor Vehicle Manufacturers which will provide more detailed information.

(2) The sum of the payroll reported during twelve monthly reference periods each of one week's duration (see no. 4 below).

(3) As defined in S.I.C.'s 323, 324, 325 in catalogue 12-501, Standards Industrial Classification Manual, 1960 Edition.

(4) Refer to catalogue 72-002, Employment Earnings and Hours of survey concepts and methods.

(b) Cannot be answered.

* The catalogues referred to in parts (1) and (4) are available from Information Canada.

UNITED NATIONS—CANADIAN EMPLOYEES

Question No. 2,542—**Mr. Diefenbaker:**

Are Canadians employed by the United Nations or any of its agencies or any organizations under its aegis subject to income tax on their earnings?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Canadians who work for international organizations and at the same time maintain residence in Canada within the meaning of the Income Tax Act are subject to income tax on salary and allowances they receive from the international organizations. Certain organizations reimburse the employees the amount of Canadian income tax paid by them, which results in an indirect reduction of Canada's assessed share to the organization; other organizations do not follow this policy. In the latter cases, beginning with the tax year 1973, the Secretary of State for External Affairs has been authorized to reimburse, in appropriate cases, those international organizations of which Canada is a member for the full amount of the compensation which is paid to Canadian employees on fixed-term appointments of one to five years to cover their liability for Canadian federal and provincial income tax on the salary, allowances and other compensation they receive from the organization concerned. To date this has been done only in the case of two Canadians employed in senior positions with international organizations. Employees not in the professional categories are subject to income tax on their earnings, but are not subject to the staff assessment. Employees of the International Civil Aviation Organization in Montreal of this category would be subject to Canadian income tax on their

earnings. As Canadian residents pay income tax to regional offices, it is impossible to obtain statistics of those working for international organizations outside of Canada either full time or on short contracts, who actually pay Canadian income taxes.

DEPARTMENT OF SCIENCE AND TECHNOLOGY—LANGUAGE TRAINING

Question No. 2,577—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Ministry of State for Science and Technology for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. C. M. Drury (Minister of State for Science and Technology): 1. Nil.

2. (a) Nil. (b) Not applicable. (c) $14,000 to the Public Service Commission. (d) $8,230 for other expenses such as Berlitz.

DEPARTMENT OF SECRETARY OF STATE—LANGUAGE TRAINING COSTS

Question No. 2,578—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of the Secretary of State other than the Public Service Commission for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

3. What are the applicable costs for the Public Service Commission?

Hon. James Hugh Faulkner (Secretary of State): In so far as the Department of the Secretary of State is concerned: 1. Nil in departmental Main Estimates but $159,000 to be sought in Supplementary Estimates plus Treasury Board allocation of $128,700.

2. (a) Because of the many unknown factors involved in the language-training process, such as the length of training time required, the salaries of the individuals involved and the number of individuals who will require language training during a given period, it is not possible to estimate the total salaries of those who will receive instruction during the 1975-76 fiscal year. However, the Treasury Board has allocated the amount of $128,700 to the department from vote 15 for the employees who will replace those on continuous language training. (b) The salaries of the instructional staff employed by the Public Service Commission's language schools are paid by the commission, not by the individual departments. The salaries of the monitors and teachers working within this department are included under item (c). (c) Services to be purchased from the Public Service Commission amount to $159,000. (d) Nil.

In so far as the Public Service Commission, as a department, is concerned: 3. (a) as in 2. $366,600. (b) Nil. (c) $43,200. (d) Nil.

Order Paper Questions

BLUMA APPEL

Question No. 2,675—**Mr. Robinson:**

What criteria will be used and what programme will be carried out by Bluma Appel in urging male executives of large companies to appoint women to their boards of directors?

Hon. Marc Lalonde (Minister of National Health and Welfare): Bluma Appel is visiting executives of large companies as liaison officer for the minister responsible for the Status of Women to bring the question of equal opportunity for women to their attention in International Women's Year.

TRANSPORTATION OF WHEAT

Question No. 2,683—**Mr. Grafftey:**

1. Was a mercy ship named the *Atlantic Eagle* commissioned to transport Canadian wheat from the Port of Montreal to Ethiopia and/or Samalia and, if so (a) how many tons of wheat were involved (b) on what date was it to be delivered (c) how many and which government agencies have been involved to date (d) what was the original cost estimate of the shipment (e) what is the revised cost estimate?

2. Apart from strikes at the Port of Montreal, have there been any other factors involved with the delay of the shipment and, if so (a) what are they (b) have they involved any revised and increased cost estimate?

3. Did the men at the Port of Montreal loading the *Atlantic Eagle* cease work because bags containing wheat were vermin infested and, if so (a) what action is now under way to rectify the situation (b) is an investigation being carried out by the government to see how and for what reason this situation developed?

4. How many bags of wheat were filled in the first instance?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The ship *Atlantic Eagle* was chartered by Canadian Commercial Corporation for and on behalf of the Canadian International Development Agency to transport Canadian wheat from the port of Montreal to Ethiopia and/or Somalia. (a) Tonnage involved 10,262 net metric tons. (b) The wheat was to be delivered to meet vessel lay days March 15 to 31, 1975. (c) The government agencies involved to date are: (1) The Canadian Wheat Board, (2) The Canadian International Development Agency, (3) The Canadian Commercial Corporation; (d) Original cost estimate of shipment was: Wheat, $2,196,-068.00; Transportation, $554,148.00; Total, $2,750,216.00; (e) The revised cost estimate is the same as (d) above plus out-of-pocket expenses, estimated $200,000, which have been incurred by the vessel's owners for ships time, extra bunkers, dockage, extra stevedoring, fumigation, survey fees, overtime and sundry expenses.

2. (a) Apart from strikes at the port of Montreal, the shipment was delayed when the union safety inspector was called in and ordered the stevedores to cease working on the ship as vermin had been reported seen. (b) Increased cost estimate outlined in 1 (e) above.

3. The men at the port of Montreal ceased loading the *Atlantic Eagle* on orders from their union safety inspector because the bags containing wheat were considered to be vermin infested. (a) The actions taken to rectify the situation were as follows: (1) The vessel and cargo that had been loaded (approximately 400 tons) was re-fumigated; (2) After fumigation the cargo on board was unloaded and the contents of all bags that were torn or holed were

screened and re-bagged; (3) All cargo in sound bags was palletized and then loaded on the vessel. (b) Yes.

4. 205,240 bags of wheat were filled in the first instance.

WATER—PERMISSIBLE LEVEL OF RADIOACTIVE CONCENTRATION

Question No. 2,748—**Mr. Francis:**

What is the maximum permissible level of radioactive concentration in drinking water and how is the permissible level determined as there is little knowledge of the effects of long range low-level radioactive exposure on human beings?

Hon. Marc Lalonde (Minister of National Health and Welfare): The government has not established maximum permissible levels of radionuclides in drinking water. The maximum permissible doses scheduled in the Atomic Energy Control Regulations relate to exposures from radionuclides ingested in water as well as to exposures from other sources.

SAMSON—CIVILIAN EMPLOYEES

Question No. 2,863—**Mr. Forrestall:**

Can the Minister of National Defence give any assurances with respect to the continued employment by the government of DND civilian employees presently operating the communications system after the full introduction of SAMSON, particularly those resident now in Atlantic Canada?

Hon. James Richardson (Minister of National Defence): The SAMSON program will not be fully implemented until at least 1977 and the number of civilian employees required for the system has not yet been determined.

AES TECHNICIAN STAFF

Question No. 2,864—**Mr. Brisco:**

1. How many airports in Canada do not have AES presentation technician staff?

2. Who is providing the Aviation Weather Briefing Services at Aeradio Stations at such airports?

3. Which airports are involved in Parts 1 and 2?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. The number of airports in Canada that do not have AES presentation technician staff is very large and is changing continuously as additional offices staffed with presentation technicians are located at 57 principal airports in Canada.

2. AES certified pre-flight weather information services are provided at designated Aeradio stations by MOT CATA staff.

3. Part 1—Airports with AES presentation technicians: Brandon, Man., Calgary, Alta., Castlegar, B.C., Churchill, Man., Dauphin, Man., Edmonton, Alta., Edmonton/Industrial, Alta., Fort Nelson, B.C., Fort St. John, B.C. Fredericton, N.B., Frobisher, N.W.T., Gander, Nfld., Goose, Nfld., Halifax, N.S., Hamilton, Ont., Inuvik, N.W.T., Kamloops, B.C., Kelowna, B.C., Kingston, Ont., Kitchener/Waterloo-Wellington, Ont., Lethbridge, Alta., London, Ont., Matagami, Que., Moncton, N.B., Montreal, Que., North Bay, Ont., Ottawa, Ont., Peace River, Alta., Penticton, B.C., Peterborough, Ont., Port Hardy, B.C., Prince Albert, Sask., Prince George, B.C., Quebec, Que., Regina, Sask., Resolute, N.W.T., Saint John, N.B., Sarnia, Ont., Saskatoon, Sask. Sault St. Marie, Ont., Sept Iles, Que., St. Catharines, Ont., St. Hubert, Que., St. John's, Nfld., Sudbury, Ont., Sydney, N.S., Terrace, B.C., Thunder Bay, Ont. Toronto, Ont., Toronto Island, Ont., Val d'Or, Que., Vancouver, B.C., Victoria, B.C., Whitehorse, Y.T.; Part 2—Airports with pre-flight weather information services provided by CATA staff: Lynn Lake, Man., Timmins, Ont., Wabush, Nfld..

R CLASS ICEBREAKERS

Question No. 2,906—**Mr. Forresstall:**

Will the $5 million reduction in expenditures by the Department of Transport on the R Class icebreakers delay the programme and, if so, for how long?

Hon. Jean Marchand (Minister of Transport): After consideration of program priorities within the ministry and the capability of the shipyard in regard to delivery schedules, the ministry has sought and obtained Treasury Board concurrence to have the required $5 million reduction spread across Marine Capital Appropriations rather than applying this reduction wholly to the R class contract. It is anticipated, therefore, that the required spending cut will not affect the R Class icebreaker programme.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed, from Thursday, July 24, consideration in committee of Bill C-66, to amend the Excise Tax Act—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

On clause 1—"*gasoline.*"

Mr. Towers: Madam Chairman, I suggested yesterday that we would be presenting an amendment to the bill before us, Bill C-66. I think it is a very important amendment. On two occasions which come to mind, the Minister of Finance changed policy he had announced on the suggestion of the Official Opposition, for which we are particularly grateful.

The first time was when he brought in legislation exempting the capital gains tax on farms transferred from father to son on the death of the father. At that time the minister felt that he was fulfilling our request. When we pointed out to him that the alteration was inadequate because the exemption should apply when such a transfer took place during the lifetime of a father and son, the minister complied. Another example was in the June 23 budget when the minister removed the duty on hymn books with or without printed music under tariff item 17210-1.

We now trust that the amendment which we are submitting, to add dyed or marked gasoline to the list of eligible

exemptions, will receive the minister's approval. This is a very important and reasonable proposal concerning the well-being of the agricultural economy which would have a significant bearing on the finances of all those involved. I cannot stress too vehemently the merit of this amendment. I do not condemn the Minister of Finance for omitting dyed gasoline when the legislation was formulated because, being a resident of Ottawa and representing an urban riding, he might not be aware of the situation. While the minister has stated that there is no significant difference between imposing this gasoline tax on diesel fuel and imposing it on gasoline used for farming, I suggest there is.

I should like to refer to page 7132 of *Hansard*, where the following exchange took place between the minister and me:

MR. GORDON TOWERS (RED DEER): Mr. Speaker, I have a question for the Minister of Finance. Is it correct to assume that diesel fuel will not be affected in any way by the ten-cent tax on gasoline?

HON. JOHN N. TURNER (MINISTER OF FINANCE): Your people were right.

MR. TOWERS: Would the same answer hold true with regard to bulk sales of gasoline to farmers?

MR. TURNER (OTTAWA-CARLETON): If the fuel is being used for farm purposes, yes.

The difference lies in the fact that diesel fuel is in no way, shape or form affected, while purple gas, which the minister says is to be treated in the same way, is affected because it is included with gasoline, even though it is totally refundable. This means that the bulk dealer must pay the ten cents a gallon tax to the supplier, and the farmer is compelled to pay the tax to the bulk dealer and then make application to the federal government for total reimbursement. To me, this is a futile exercise which does not benefit anyone, yet creates a headache for bulk dealers and for farmers who must apply for total refund, and eventually for the government to administer the refunds without receiving one penny in tax. Today retailers and consumers have too many problems without having to bear another burden of extra financing and bookkeeping, leading to more frustration.

As I said earlier, I am not criticizing the Minister of Finance for not including this gasoline, because apparently he did not realize there was such an oversight. But I do blame the supposed great champion of the farmers, the Minister of Agriculture, and the minister in charge of the Canadian Wheat Board who, if they are to be classed as responsible ministers competently representing producers of agricultural products, should be aware of this fact. I also place blame on the Liberal backbenchers because they failed to bring up this point. The hon. member for Scarborough West said that government backbenchers are 100 per cent behind this tax. This can only mean that the backbenchers, along with the two ministers just mentioned, either do not care about what is happening or they do not know, or both.

● (1250)

I have discussed the ten cents a gallon tax with several bulk dealers in my constituency, one of whom handles approximately 600,000 gallons of gas per year. He will have to provide an additional $60,000 to finance his operation. Another dealer sells about 1,200,000 gallons, which will result in a pay out of $120,000 extra during the year. I also spoke to the manager of a small, totally Canadian-owned oil company with a business amounting to $750,000 per year. He explained to me that he does not make a big profit, that his finances are limited and that this tax will place a severe strain on his company because most of the bulk dealers are compelled to extend credit; if they run into bad debts, not only do they lose the value of the product but the total tax as well.

In view of the fact that there are about 326,804,000 gallons within this category of marked or dyed gasoline, representing in the vicinity of $33 million in additional financing without one dollar being returned to the federal treasury, does this not prove my point? I should explain at this time that the figures I am using are the latest available from Statistics Canada. They are for the year 1973, and I presume the figures for the current year would be higher.

This manoeuvre is completely senseless if the bill is not amended. It is unacceptable, and it will be inflationary. While I know that some of this turnover will be on a monthly basis and part yearly, this extra cost can only add to the inflation factor. In view of the fact that this tax has a direct effect on all the western provinces, Nova Scotia and Prince Edward Island which have marked gas, could the minister not make provision to include the other provinces so that all gas used for agricultural and industrial purposes would be exempt from this tax entirely?

I certainly hope the Minister of Finance will accept this amendment. I know that the hon. member for Vegreville will make some supporting remarks, and perhaps others from our side. I trust that the minister will listen to them to ensure that this gross error is corrected. The amendment I would like to propose at this time is couched in the terminology of the act as implemented by the statutes of the province of Alberta. I move:

That Bill C-66, to amend the Excise Tax Act, be amended in clause 1 by deleting line 10 on page 1 thereof and substituting therefor the following:

"other than aircraft engines, but does not include any fuel oil which has been marked by any dye, agent or other substance under the authority of a provincial statute.

Mr. Peters: Madam Chairman, the hon. member, in moving his motion, referred, if I am correct, to aircraft engines and marked fuels. If that is correct, there is a new dimension which I wish to bring to the attention of the minister because I presume he has overlooked much of the travel that is done on highways by diesel-driven vehicles.

Mr. Turner (Ottawa-Carleton): Diesel fuel is not included.

Mr. Peters: As I understand it, the amendment has added other fuels and I suggest that we are giving an unfair advantage to Peugeots and Mercedes, both of which are operating now with a ten-cent federal sales tax at the pump. If we only use the word "gasoline" in this amendment we are including a new category. I am not in the least opposed to exempting marked gasoline because I am sure all the provinces accept and understand its exemption, but I would ask the minister if he will also give consideration to extending the definition to diesel fuel used for highway purposes.

Madam Chairman, may I call it one o'clock?

[*Translation*]

Progress reported.

The Acting Speaker (Mrs. Morin): It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. REID—NEWSPAPER ARTICLE ALLEGING NOVEMBER BUDGET LEAK

Mr. Speaker: Order, please. Just before one o'clock the House was in committee of the whole and would at this time ordinarily be resuming consideration of Bill C-66 in committee of the whole. However, it was agreed that we should give consideration at two o'clock to the question of privilege raised previously, and to the motion of referral of that question to the Standing Committee on Privileges and Elections. I understood that there were to be discussions about the possibility of amending the proposed motion.

Mr. Sharp: Mr. Speaker, there have been discussions among the House leaders concerning the terms of the motion to be proposed by the hon. member for Kenora-Rainy River (Mr. Reid). He is agreeable to an amendment which I believe will be proposed by the hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to propose an amendment which will make it possible for the committee to consider certain aspects of this matter. When I proposed my motion earlier today I indicated, on behalf of my colleagues, that we think this is desirable. As the President of the Privy Council (Mr. Sharp) said, there have been discussions involving this party, the government and the official opposition. Three parties, at least, are unanimously willing to accept the proposed amendment.

I therefore wish to move:

That the motion be amended by deleting therefrom the words "most especially", and also by inserting therein, immediately after the word "businessmen", the following words: "and that the said member had advance knowledge from official sources of amendments to be proposed to a bill emanating from the said budget and conveyed that knowledge to businessmen.

Mr. Speaker: Order, please. There has been some indication that the said amendment, which I presume is seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), has been discussed among all parties. If that is so, I presume the House is ready for the amended motion to be put. Is that agreeable?

Mr. Broadbent: Mr. Speaker, I should like to speak briefly to the motion, including the amendment.

Mr. Speaker: Order, please. We agreed that we would not put the motion. It is a debatable motion. At least, we agreed that we would not call it in the ordinary way. Perhaps the motion ought to be put at this time. The hon. member and others can then speak to the motion, and he can put his amendment.

The motion is the following: Mr. Reid, seconded by Mr. Ethier, moves:

That all articles contained in the July 24th, July 25th Montreal *Gazette* relating to the conduct of the member for Kenora-Rainy River vis-à-vis the November 18 budget, including most especially the allegations that the said member had advance knowledge of the said budget and conveyed that knowledge to businessmen, and the discrepancy in the editing of the *Gazette's* purported transcript of the proceedings of this House as compared to the report in the House of Commons Debates, be referred to the Standing Committee on Privileges and Elections.

Mr. Broadbent: Mr. Speaker, I wish to speak briefly to this important motion. The issue is this: it is the tradition of parliamentary governments, a tradition in which we share, that all matters pertaining to tax changes, whether introduced before a budget, in a budget or after a budget, shall be kept absolutely secret until introduced. The principle is that such changes in tax law shall be kept secret and shall be kept within the confines of the minister of finance and the cabinet.

Most serious allegations have been made. A newspaper article in the Montreal *Gazette* of two days ago alleged that a member of this House violated that principle, namely, that the hon. member for Kenora-Rainy River (Mr. Reid) had advance knowledge of the details of the budget of last fall and had advance knowledge of changes that were to be made subsequent to that budget, and that in each instance he conveyed that information, which ought to have been kept secret, to other parties, in this case outside the House of Commons.

The principle we are considering does not distinguish between information conveyed to people outside the House and information conveyed to people within the House. It is alleged that the hon. member did convey such information to a businessman, outside the House. Without doubt, if the allegation that the business firm was so informed is accurate, that firm had a substantial financial interest in obtaining such information in advance.

● (1410)

There are two points to consider. One is the general and important matter of maintaining budgetary secrecy. The second is that in the particular instance of the alleged breach of this principle, the breach itself involved the conveyance of information to a person or persons who could have gained in a substantial financial way by obtaining such information.

The allegation that is involved is of fundamental importance to our whole tradition of government in Canada. I do not intend to elaborate in much greater detail; enough points have been made on the issue in the House in the past two days without the necessity of extended discussion today. I am sure the House will pass a motion to have a standing committee of this House investigate the serious

charges, charges which, incidentally, involve not only a member of this House but, on the other side of the coin, the Montreal *Gazette* as to whether it should be held responsible for a serious breach.

It would be presumptuous of anyone in the House to reach a conclusion at this stage as to who ultimately must be held responsible in the situation we are now discussing. Did the hon. member for Kenora-Rainy River commit the serious breach of which he is accused, or do the Montreal *Gazette* and others who have made the allegation have to be held responsible for making that allegation if it turns out to be incorrect?

As I understand the procedure, I will have to formally move the amendment that I discussed briefly when we came back at two o'clock. Before moving the amendment, I wish to suggest five areas of concern related specifically to the motion that the New Democratic Party believes must be gone into in a most thorough fashion.

First, there is the question of knowledge of the fall, 1974, budget by the hon. member for Kenora-Rainy River. Did he or did he not, have foreknowledge of the details of that budget? Related to that, did he, or did he not, have knowledge of changes which were going to be made subsequent to the budget? Second, assuming that the hon. member had such knowledge, from whom did he obtain it? Did he obtain it from officials in the ministry of finance or in other departments, or did he get it elsewhere? Again, on the assumption that he had the information, we must find out the source.

Third, again assuming that the hon. member had the information, did he communicate the details of the fall, 1974, budget to anyone, and did he communicate details of proposed changes in that budget between last November and January of this year? Assuming he had the information, was there any subsequent communication of it?

Fourth, again on the assumption that such information was conveyed to a businessman or businessmen, to what extent would this knowledge have proved to be financially advantageous to such businessman or businessmen? That must also be considered by this committee.

Finally, on the broader range of ministerial responsibility we would like the committee to look into the question of what limits, if any, there are to the responsibilities of the Minister of Finance for any breaches of the secrecy principle concerning budgetary matters that may be involved in this particular case.

I wish to quote briefly from two sources which suggest the framework from which ministerial responsibility might be assessed in this particular case. The first quotation is from a study by Geoffrey Marshall and Graeme C. Moodie entitled "Some Problems of the Constitution". The most recent is the fourth edition, published in 1967. These two constitutional authorities have the following to say about ministerial responsibility in this kind of matter:

> If culpable action within a department clearly falls into the sphere where reasonable diligence on the minister's part in controlling his department would have led to his being personally aware of the issue then a failure to act can be construed as a personal fault. If, on the other hand, it does not fall within such a class of matters, or if deliberate disobedience has occurred, then the minister may properly disclaim fault on behalf of himself.

That general description of ministerial responsibility is one with which my party is in full agreement. I wish to quote another authority who reaches a conclusion which basically is a corollary of this principle, if accepted, that is assuming the minister is not directly responsible for a breach that exists within his department. If there is a breach which exists beyond the personal area of responsibility, what should be the guideline which sets out the course of action the minister must take in such a situation? The authority in this case is N. H. Brasher. I wish to quote from his publication "Studies in British Government". He sets out a position with which we are in general agreement:

> The minister cannot be held responsible for every peccadillo committed by the thousands employed in his ministry. He must, however, explain the position to parliament and take the necessary corrective action. The same principle applies if a major fault in the working of a government department is exposed.

I took longer to deal with the possible responsibility of the Minister of Finance in this case because that aspect of the matter in the past couple of days has not been dealt with to any degree. I repeat, it is an important matter to be looked into by the committee. Having made those points about the seriousness of the issue, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the motion be amended by deleting therefrom the words "most especially", and also by inserting therein, immediately after the word "businessmen", the following words: "and that the said member had advance knowledge from official sources of amendments to be proposed to a bill emanating from the said budget and conveyed that knowledge to businessmen".

Mr. Speaker: I am sure the hon. member will oblige the Chair by writing out the amendment. One has been provided to the Chair; it is an amended version of the original motion. It does not constitute an amendment; it is an indication of what the motion would be if adopted. The amendment has been repeated twice. I have the language in front of me. I can at least indicate that it has been moved by the hon. member for Oshawa-Whitby (Mr. Broadbent), seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the motion be amended by deleting therefrom the words "most especially", and also by inserting therein, immediately after the word "businessmen", the following words: "and that the said member had advance knowledge from official sources of amendments to be proposed to a bill emanating from the said budget and conveyed that knowledge to businessmen".

● (1420)

Hon. Robert L. Stanfield (Leader of the Opposition): Just a word on this matter, Mr. Speaker. We agreed to the amendment which has been put forward since it does clarify the original proposal in a couple of important respects.

I do not intend to take the time of the House by suggesting directions the committee might take; I assume it will take its responsibilities very seriously and will hear arguments from all sides as to precisely what those responsibilities are. In view of the obvious importance of the questions involved—the leader of the New Democratic Party has mentioned three or four points, but there are some others, too—I should like to urge that the committee adopt the broadest possible interpretation of its reference and its responsibilities. I call on the government side of

the House to recognize what those responsibilities are and, without being offensive about it, I urge that the committee should in no way take advantage of its majority of government members to restrict the breadth of depth of the inquiry or to restrict in any way the witnesses to be called.

I hope that the chairman, who I believe is in the chamber this afternoon, will facilitate to the fullest extent the calling of witnesses including ministers, if it be the wish of any significant number of members on the committee to hear such witnesses. I express the hope—and I know this is the wish of all members of the House, including the parliamentary secretary—that the committee will get down to work as soon as possible and pursue its task as vigorously as possible to a conclusion.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, as agreed this morning at the meeting of the spokesmen for the four parties in the House, where we requested that the motion be more complete, we agree, as requested by the hon. member for Kenora-Rainy River (Mr. Reid) that the matter be referred to the Standing Committee on Privileges and Elections. But we would like to add that we insist that all documents, requested both by the majority and the minority, must be produced at the committee if those documents exist, and all persons who are called before the committee do appear before it.

[*English*]

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

Some hon. Members: Question.

Amendment (Mr. Broadbent) agreed to.

Motion (Mr. Reid) as amended, agreed to.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration in committee of Bill C-66, to amend the Excise Tax Act—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: Order. When the committee rose at one o'clock an amendment to clause 1 was under consideration.

Mr. Peters: Madam Chairman, when the committee rose we were considering an amendment to exempt what is commonly known in a number of provinces as purple gas intended for farm use. Gasoline marked for farm purposes is, I believe, used in five provinces including Ontario. The amendment would, it seems to me, commend itself to attention by the minister because it would eliminate the necessity of supervising rebates to farmers who in any case would be exempt under this legislation. There would be no need for them to make applications for refunds and to receive rebates. Thus, if he were to accept this amendment, the minister could, in co-operation with the provinces, eliminate a large number of people from the bureaucratic process in this respect.

There is another advantage attached to this proposition, and it is that the provinces are already supervising the use of coloured gas. Readiness to issue such gas means the provinces are willing to define the terms "farmers" and designate those who are eligible to use this gasoline. In addition, it means the provinces are willing to supervise the bootlegging which inevitably follows the issue of any concession which the majority does not enjoy. The provinces are already cautious about young lads who are caught on the highway with coloured gasoline in their automobiles when it should really be in the farm tractor, and they are ready to impose certain penalties. Indeed, they have developed some expert methods of ascertaining when gasoline is being used for a purpose other than that which has been designated. Although, again, co-operation with the provinces would be required, I am sure all provinces on behalf of the farmers would be willing to introduce marked gasoline so that the farmers will not have to pay the tax and then ask for a rebate.

● (1430)

The hon. member for Red Deer mentioned that not only will the individual farmer be inconvenienced by having to apply for a rebate but the distributors, the bulk plants, under the minister's legislation will have to pay the full amount of the tax and then apply for a rebate themselves. Many farmers have an arrangement with the bulk plants under which they do not make any payment until late in the fall. In such cases the bulk plant will have to pay the extra tax, which it is true will be rebated, for a period of time during which the farmers are not reimbursing them. If coloured gas were used, we would eliminate much of this difficulty.

I would also like to ascertain from the minister why a very small number of people were allowed to get this advantage. It is a fact that gasoline is in a little different category from diesel oil, kerosene or other products used for aviation purposes or in trucks. However, some cars driven for pleasure, such as Peugeots and Mercedes, use those products too, and it seems to me their owners are receiving an unfair advantage.

The minister might say that he did not want to give this advantage to that particular category, but already we are putting a ten cents tax on fuel used for highway driving, whether it be gasoline or diesel oil. This would mean a second ten cents would have to be paid. Obviously, it would apply to truckers as well and would mean that the truckers would have to pay the ten cents a gallon when they went to the pumps for their diesel fuel and would have to request a rebate.

It seems to me that the minister is being quite inconsistent. If he does not want the truckers to have to apply for a rebate, why should the farmers? It cannot be said that in the one case it is too complicated whereas the gas used by the truckers does not have the ten cents applied to it. The truckers do not even have to apply for a rebate.

As far as the farmers are concerned, their gasoline would carry no tax, either provincial or federal. The gas is coloured and put into the tanks by the oil company. The company is willing to certify that it has supplied so many

gallons of coloured gasoline to the farmer, and this is done on the basis of an annual report. It seems to me that the minister's officials have not advised him very well because he has two programs, one for the truckers who do not have to apply for a rebate because they use diesel oil, and another for the farmers who use a specific product that is already marked. They are not exempt and will have to request a rebate. As I say, this seems to me to be inconsistent.

I hope the minister does not do what almost every government agency has been doing, and that is to employ people to supervise collection of revenues. In many cases these jobs are simply created so as to avoid putting people on the unemployment insurance rolls. Most farmers and farm organizations understand the use of marked gas and have operated in five provinces with marked gas for a number of years. Even in Ontario they used it for a number of years and are quite familiar with the regulations and penalties. The province is willing to supervise the collection of the first ten cents, and I suggest that the second ten cents that we are now applying could be dealt with similarly. It would provide an opportunity for the federal government to get some service out of the provincial governments. Certainly under this legislation the federal government will not be collecting one cent more tax in the federal field than the province of Ontario will be collecting in the provincial field.

I hope the minister will be fair and equitable in his treatment of the two categories, those using diesel oil who are exempt, and the farmers who use marked gasoline and who are also considered exempt by the provinces as well as by a previous federal administration. I think both categories should be treated the same way in this legislation.

Mr. Mazankowski: Madam Chairman, I rise simply to support as vigorously as I can the amendment presented by my colleague from Red Deer. The excise tax as applied to farm fuel can best be described as a nuisance tax. It really does not provide any appreciable benefit to the treasury or to other budgetary provisions put forward by the finance minister. I think the proposal advanced by my colleague is sound, logical and sensible and I hope the minister will give it serious consideration.

I think the minister will probably suggest that, this being a manufacturer's tax, it may be somewhat difficult to identify. But we have ample precedent. A farmer who is engaged in the production of agricultural products is exempt from federal sales tax. When he buys an article that he requires for that purpose, he simply files an end user's certificate and does not pay the tax at the time of purchase.

The hon. member for Timiskaming outlined the manner in which purple or coloured gas is handled in the provinces. That, too, is a tax that can be applied at source with the manufacturer, and any administrative difficulties are quite minute. As I say, I think this proposal is logical and sensible and will certainly be most helpful to the farmer and particularly to the bulk dealers, who on this particular issue are going to be caught in a squeeze.

● (1440)

I was quite amused by the speech of the Minister of National Revenue. He used averages that suggested the western farmer burns about 1,000 gallons of gas per year. That may be an average, but I would suggest to the Minister of Finance and his colleagues that it is misleading. I checked with a couple of bulk dealers in my constituency. The amount of purple gas used by a farmer is more likely to be 3,000 gallons. Nearly every farmer has a second tractor which burns purple gas, certainly not diesel oil.

A farmer with a half-section would use 45 or 50 gallons a day for combining and probably about 1,000 gallons in total. The second tractor, used for spraying, fertilizing, cutting and baling hay, and probably a half-ton pick-up truck or delivery truck, would probably use another 1,000 or 1,500 gallons in a year. Conservatively speaking, the average half-section farm would consume about 3,000 gallons per year.

There is a problem in that the tax applies in respect of the bulk dealer. The bulk dealer in my constituency of Vegreville indicated to me that half the gas used on farms is purple gas. He expects that it will take about $40,000 or $50,000 additional operating capital for him to maintain his accounts receivable because most deliveries are on a net 30-day basis or sometimes 60 days, 90 days or even six months. He told me that the oil companies are claiming 1½ per cent interest on all accounts past due, so he is faced with paying interest on funds that are just being transmitted through the system. There is no sense in this exercise whatsoever, Madam Chairman.

If the proposed amendment is not acceptable to the minister, I am sure my hon. friend would be prepared to make a change in the wording. I think the principle is well enunciated, however, and I hope the minister will give it serious consideration. This morning I spoke to representatives of the Canadian Federation of Agriculture and was told that just this week they had passed a resolution asking the government to develop a suitable system, in consultation with them, to provide exemptions from the excise tax at the point of sale. That is precisely what this amendment attempts to do.

I think the other area that we should be concerned with is the possibility of an exemption certificate for commercial trucking concerns who will have hundreds of thousands of dollars tied up in excise tax while it goes through the hands of the dealers, the government and back to the transportation industry. I think the provincial government procedures in such cases are quite elaborate and could probably be followed here, and any abuses could easily be found. I am not sure if the provisions of this bill allow enough flexibility for the issue of exemption certificates, and I hope the minister will clear up that matter. If the bill has that flexibility, I think certificates should be issued and, if not, I strongly suggest that such a provision be incorporated in the bill. I would be glad to move an amendment to that effect.

We are not looking at small sales here; we are looking at tank wagon sales. I think the general application as it applies to commercial trucking, to tank wagon sales, should be considered as exempted purchases. If that provision of flexibility is not already contained in the bill, it should be. If the minister were to incorporate it he would

be doing a great favour to the trucking industry and the agricultural industry and also to the Department of National Revenue. It would certainly streamline and modify the cumbersome bureaucratic procedures that will otherwise have to be followed. I hope the minister will clarify this point so that we can further consider all the amendments we may be advancing to future clauses.

Mr. Benjamin: Madam Chairman, I want to congratulate the hon. member for Red Deer on this amendment and welcome hon. friends to my right back to the fight. I cannot understand why the advisers to the minister did not realize the implications of clause 1 when they were drafting the bill. As a matter of fact, I cannot understand why the minister accepted their advice. The dummy that advised him on this one should be fired tomorrow—even today. The bill exempts farmers and fishermen who, in several of the provinces, use gasoline as described in the amendment—"which has been marked by any dye, agent or other substance under the authority of a provincial statute."

Since they are exempted already in this legislation, I do not understand why the Minister of Finance and the Minister of National Revenue want them to apply for rebates. Think of the administration costs involved in processing the tens of thousands of applications. Think of the thousands of complaints members of parliament will get from farmers and fishermen if the rebates are late, and the trouble they will have trying to get extra copies of receipts and bills to submit in support of their applications.

All the minister has to do is agree that gasoline as described in the amendment should be exempt from the tax at the point of the 20 refiners and 13 importers. There would then be no necessity for the farmers and fishermen to apply for a rebate on gasoline that has been "marked by any dye, agent or other substance under the authority of a provincial statute." Alberta and Saskatchewan have these exemptions. I believe this is also the case in British Columbia, Quebec and, I think, Nova Scotia. In any case, five or six provinces have these exemptions and mark the gasoline with a dye agent or other substance.

● (1450)

Why would the minister want people to buy the gas that is exempt, under provincial statute, from gasoline tax, pay the ten cents a gallon excise tax and then turn around and apply for a refund, when he could eliminate all that administrative effort by just accepting the amendment? He would be exempting that gasoline at the source. It seems to me eminent good sense. I do not know why we should try to be so helpful to the government on a bad piece of legislation, but since we are conscientious, hard working members of parliament we will be as helpful as we can to the Minister of Finance.

I would like to hear whatever logical reason the minister can give this committee as to why he would want to unnecessarily duplicate the effort if he could eliminate the necessity for applying for rebates by accepting the amendment. If he is worried, as the hon. member for Timiskaming said, about policing at least five and maybe six or seven of the provinces which have exemptions on marked or dyed gasoline, and already have the machinery in place for policing any violations for bootlegging of purple gas or gas that is marked for some specific purpose, I am sure that he and his officials—the Minister of National Revenue in particular—could arrive very quickly at understandings, agreements or regulations at the federal-provincial level that would include, in the provincial policing of these exemptions, policing pertaining to the excise tax.

In the case of undyed or unmarked gasoline which would be used in a farm truck, when a farmer has other than a farm licence plate and he is doing commercial trucking, he must use gasoline that is unmarked or undyed and he will have to pay the ten cents a gallon. But if he is in a commercial enterprise as spelled out in the legislation, he will be eligible to apply for and get a rebate when he satisfies the Minister of National Revenue that he has provided sufficient and proper evidence. So there is no problem on that score.

A farmer who has a truck with a commercial licence rather than a farm licence plate, and buys orange or red gas for it, is still eligible for the rebate because he is in a commercial enterprise and he hauls grain, cattle or agricultural products for someone else, not for his own farming operation. He is treated in the same way as any other commercial or business enterprise. But for the purposes of the farmer's own farming operation, whether it is his tractor, half-ton truck or his bigger truck, by exempting purple gas or any marked or dyed gas the minister will have eliminated the necessity for applying for rebates. We must remember that there are over 300,000 family farm operations in Canada, and goodness knows how many tens of thousands of fishermen who may be using purple, marked or dyed gasoline in their boats.

I am sure the Minister of National Revenue could forget about adding the 200 or 300 people to his administrative staff to process the applications and send out cheques for rebates if this amendment were adopted, unless of course one of the purposes of the bill is to help solve unemployment. But if that is one of the purposes, the minister should say so. Perhaps we would have some sympathy for this measure, although I do not think we would even then. Surely to goodness, if for no other reason than administrative good sense and efficiency, and to obviate what I predict will be a whole host of letters to members of parliament who have farmers, fishermen, or both, in their ridings to equal the number of unemployment insurance letters that we get in the middle of winter, reading, "I applied for a rebate on August such-and-such and it is now January and I have not received it. Why can't I get a rebate on my boat or truck?"

The minister should ignore the idiots in his department who drafted this bill and accept an amendment that is eminently sensible. Perhaps the minister could stand up quickly and say he will accept the amendment and thus shut me up, at least on this amendment. If there are some hon. members in this place who are still in a hurry, accepting this amendment would speed things up a little, at least on this clause.

Madam Chairman, I submit to the minister very seriously that the thrust of the legislation he has put before us, even though I disagree with it, can be better served if he eliminates the need for applying for rebates for those who are eligible for exemption. It seems to me that it is so

simple and obvious that it should appeal to the good sense of all hon. members, particularly my friends on the government side. I hope the minister will now rise and tell us he accepts this amendment or else try to give us some reasons for not accepting it.

Mr. Schellenberger: Madam Chairman, while not wanting to repeat all the good and valid arguments that had been made in favour of the amendment, which I have the honour to second, I should like to bring forward one added comment that I think the minister should take into consideration in accepting this amendment. It is that this tax will place an extra burden on farmers during two seasons in their working year which already place a burden on them, that is in the spring and in the fall.

When you look at the statistics, you find that every person who lives on acreages of land suitable for farming, and whose income is higher than $50, is considered to be a farmer. If you divide that figure into the 326 million gallons of purple gas used, you find that each farmer has only 1,000 gallons. But the situation is that a farmer who is really in the business of agriculture has a much higher income than $50 a year, and as a result this burden of ten cents a gallon on his agricultural fuel costs will be a significant increase, especially in the spring and fall.

I might add that farmers are already burdened with interest on their credit of some $1,500 a year. If we add the interest that they may have to pay in extra working capital to satisfy the extra cost of gasoline, that figure may escalate more and place an extra burden on people who already have a difficult time. I support the amendment on behalf of farmers and bulk dealers.

● (1500)

Mr. Knowles (Winnipeg North Centre): Say yes.

Mr. Turner (Ottawa-Carleton): Madam Chairman, I have to be very careful about how I respond to proposed amendments. I do not want to convert the committee into a whole group of insiders.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Our problem is that only eight of the provinces utilize marked gasoline. If this amendment were accepted there would be an exemption for such gasoline in eight provinces and not in two others. Therefore a federal tax in its operation would be discriminatory as among various provinces. We have always tried to arrange a tax which has equal application all across the country. If the bill is accepted by this committee and goes through parliament, that does not preclude our attempting to see what we can do and whether we can get some uniformity. I do not exclude that. I am just saying that in the current situation we have this problem.

I understand the force of the amendment; the approach illustrated in the amendment would mean that exemptions from a federal tax would be dependent upon provincial legislation. Provincial legislation is not necessarily uniform among the provinces. Of course that legislation can be changed at any time unilaterally by the provinces.

This is the same situation which dictated my having to change our approach on the characterization of equalization as it related to additional revenues from oil and gas. Originally we had proposed that if the producing provinces of Alberta, Saskatchewan, and British Columbia were to put the revenues into a capital fund, we could exclude those additional revenues. It became quite apparent to the federal government and the other provinces that this would really put the equalization formula at the mercy or at the unilateral discretion of the producing provinces, or particular provinces, so we had to come back to the House to ask for a federal uniform statute. The same situation prevails here.

In addition, the effective control of the exemption would be transferred to a very considerable number of distributors of coloured gasoline, and we would have lost the potential for direct control by means of audited refund claims to assure the gasoline was used for exempt purposes. The Department of National Revenue would lose that control.

We are continuing to look for more streamlined ways of administering this tax, but it does demand some uniformity on the part of the provinces, and further consultation.

Mr. Mazankowski: The minister seems half receptive to the proposal put forward by the hon. member for Red Deer. Will the minister give an undertaking to the House that he will establish ways and means to provide for exemptions at the point of sale, particularly for gasoline used for agriculture or farm purposes, and perhaps for commercial purposes in bulk tank wagon lots? Does the bill provide sufficient latitude for the minister to allow for such a provision to facilitate a more streamlined, economical, and efficient method of administration?

Mr. Turner (Ottawa-Carleton): We have a wholesale tax here and it is difficult to transfer it up to the retail level, even for bulk sales at the wholesale level, but then I would be in the position of recommending exemptions for large purchasers to the detriment in egalitarian terms of the average small purchaser in the country. But I do give the undertaking that we will be looking for ways to streamline the operation of the bill as we see it in operation, and I have already made comments in that respect.

Mr. Benjamin: Mr. Chairman, the minister lost me there, and I am quite prepared to admit that it is my fault. When he talks about the provinces and that one or more provinces may take unilateral action at any given time in terms of their law as to exemptions, whether for farmers of any other group within provincial jurisdiction, from gasoline tax, I do not see how that interferes with what this legislation does. Let us suppose for a moment that the province of Alberta decided no longer to allow farmers to use tax free purple gas. Under this legislation it seems to me that the twenty refiners, thirteen importers, etcetera, automatically then charge the ten cents per gallon excise tax, so that any province which unilaterally changes its own law will not inhibit or complicate the objectives of the Minister of Finance and the Minister of National Revenue in terms of collecting the ten cents per gallon. I just do not see how the argument of the minister holds water.

Second, the minister is still overlooking the main point. He is already exempting farmers and fishermen. Why go

through the process of collecting the ten cents from them and sending it back when there is a mechanism for keeping track of gasoline which has been dyed or marked, or has some other substance in it according to provincial statute? The minister need not bother with the rebate. He is still overlooking that. He can talk about streamlining it all he likes, but he is overlooking the exemptions for those two major groups of gasoline consumers. He makes them pay the tax at the retail level. Then he makes them apply for a rebate. He has a beautiful short cut by accepting the amendment. He wants it streamlined, and accepting this amendment will do exactly that.

Any provinces which do not presently have exemptions or do not allow farmers or fishermen to use purple gas in their operations can pass that law tomorrow; the minister's legislation applies. Where any province may unilaterally decide no longer to allow farmers or fishermen to use purple gas tax free, the minister's law still applies.

The refiner and the importer then have to apply automatically the ten cents per gallon at their level on that gas whether it is marked, dyed, or has some other substance in it. Then the farmer or the fisherman will have to go through the process described in other parts of the bill for applying for a rebate. The argument of the minister that the provinces can take unilateral action is specious, and it has no effect whatsoever on the thrust of his legislation. The amendment of the hon. member for Red Deer in no way harms the minister's purpose of collecting the given amount of revenue.

Mr. Turner (Ottawa-Carleton): In response to that, the amendment is clearly drafted. The following words are added: "but does not include any fuel oil which has been marked by any dye, agent or other substance under the authority of a provincial statute." Under its jurisdiction a provincial government would have the discretion to decide the ambit of the exemptions or the refunds under a federal tax, and there would be clear lack of uniformity, or potential lack of uniformity across the country.

Two provinces do not colour or mark gasoline. Moreover, some provinces decide to mark and colour gas for different purposes. For instance, some provinces permit the use of coloured gasoline in pleasure boats, which would be quite inappropriate given the objective of the special excise tax on gasoline now before the committee. I am just saying that a federal tax and the refunds and exemptions from that tax have to be uniform and have to be under the control of parliament and the regulatory authority granted by parliament. That is my problem.

Mr. Yewchuk: Mr. Chairman, I would like to clarify with the minister whether he can provide any figures concerning the cost of the extra bureaucracy which will be required to collect and rebate this tax. I know the Minister of National Revenue touched on this and said there would not be any extra cost. If that is the case, I suggest there is a certain amount of bureaucracy sitting around doing nothing at all. I cannot accept the explanation that it will not take much extra staff to process the rebates. The minister should tell us how much it will cost to administer the program. I submit that these costs could be avoided if the amendment were accepted.

[Mr. Benjamin.]

• (1510)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have looked into the question of costs. My colleague, the Minister of National Revenue, dealt with them in his speech. Our best estimate at this time is that the cost of administration, including the receiving of claims, the reviewing, the issuing of cheques to claimants, and the implementation of a post-audit procedure, will be in the range of 1 per cent of the revenue involved. This is comparable to the cost of administering the federal personal income tax, which is about 1.2 per cent of the revenues generated by the personal income tax. In other words, the cost of administering this tax will be 1 per cent, compared with 1.2 per cent of the cost of administering the personal income tax.

Mr. McIsaac: Mr. Chairman, before we leave the amendment to clause 1 may I ask the minister does he think it advisable to amend clause 5 of this bill, to accommodate the points raised by the mover of the amendment and other hon. members opposite? Regardless of the minister's arguments, the fact remains that we shall be putting a lot of people through a needless procedure. Could the minister not meet objections by some other means, say, by making some agreement with the provinces with respect to purple gasoline, or by moving an amendment to clause 5 or to some other clause? What are the minister's reactions to my suggestion?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, clause 5 deals with refunds and clause 1 with the definition of gasoline, which relates to the exemption. These are different matters. If the hon. member is talking about bulk buying, I tried to deal with that situation when replying to the hon. member for Vegreville.

Mr. Mazankowski: Mr. Chairman, the parliamentary secretary's point is well taken. I have presented a draft amendment which I propose to move at a later stage. I hope the minister will study it, as I think it will serve the purpose. I suggest that the Parliamentary Secretary to the Minister of Transport will heartily endorse it, as he represents a large agricultural area. I suggest that the amendment would cover more than corporate consumers. It would apply to farmers as well, to trucking concerns, commercial concerns and others whom the governor in council may see fit to include.

Mr. Towers: Mr. Chairman, the minister suggested that no amendment he can bring in will make this bill non-discriminatory. I point out that, at the moment, many diesel burning cars will be subject to this tax. The minister suggested that diesel cars could be exempt because they burn a minute quantity. I suggest that this thinking should also be extended to boats.

May I raise another question? The minister referred to discrimination between provinces. I point out that there are lots of dye tablets in Alberta which can be used to colour gasoline used in other provinces. Such gasoline can be put to specified uses by Monday morning. The point is this. The gasoline is not manufactured in that coloured form. It is coloured afterwards, when it goes to the farm, when it is put in bulk tanks, or when it is to be applied to other uses.

The administration of this measure will be expensive. I understand that the government will spend $3.5 million in administering the program. In addition, it will be an extra cost to farmers and fishermen when they apply for rebates and they will need to do a lot of extra work to apply for rebates. Farmers and fishermen will need to keep records of the amount of gasoline used which is eligible for rebate.

Considering our difficult economic position, and as the well-being of a large percentage of the Canadian public is involved, will the minister take a second look at this measure and do something constructive for the benefit of a very important sector of our community?

Mr. Yewchuk: Mr. Chairman, I am amazed at the minister's apparent lack of concern. He said the program will cost 1 per cent to administer. I suggest that that $3.5 million could be put to much better use in agriculture. It could help farmers who must pay inflated costs for farm machinery parts, and so on. I submit that the millions of dollars the government will waste can be put to much better use in society. People are taking money out of one pocket and the government is to put it back in another. I suggest that the program is wasteful and the $3.5 million could be put to better use.

Mr. Peters: Mr. Chairman, I was interested to note the minister's allusion to gasoline used off the highway. The province of Ontario did not levy tax on that gasoline, but now it does. I point out that some people drive diesel automobiles, and this bill will discriminate against them. At present when you pull up to the pump in a diesel automobile, you pay the provincial tax. If a trucker pays it, he is entitled to a rebate when he turns in his receipt. I understand that people driving diesel automobiles will pay one ten cents tax, and perhaps the other. This is discriminatory.

I know that an hon. member, after seeing a diesel automobile advertised in Montreal, said he intended to buy it this afternoon. As he is not in the House I presume he has bought it. He drives a lot and will save much money. I am not arguing against his interests, but it seems to me that if motor boats are exempt, diesel automobiles ought to be exempt also. There is no reason why those who pull up at the diesel pumps should not apply for an exemption. At present some are entitled to it, and others are not. It seems to me that we should not discriminate in our treatment of people. At present the bill discriminates against one group of people using diesel fuel, but not against another. How can the minister justify such different treatment in the same piece of legislation?

● (1520)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I want to assure the hon. member that even though my eyes were not focusing on him, my ears were beamed in on what he had to say. He knows that. The difficulty with the diesel question is that 99 per cent of diesel oil is used commercially. Talking about administration costs, the cost of isolating that 1 per cent would be prohibitive. There is some merit in what the hon. member says, but there is no reasonable way of trying to isolate that. In that sense there is some discrimination. There is discrimination in favour of an owner of a small automobile as against the owner of a larger automobile. That is my answer there. The personal use involved is just too small a percentage to allow us to administer it properly.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Towers) negatived: Yeas, 42; nays, 59.

The Chairman: I declare the amendment lost.

Mr. Baker (Grenville-Carleton): Mr. Chairman, I would like to ask if the hon. member for Comox-Alberni, the hon. member for Ottawa Centre, the hon. member for Pontiac, the hon. member for York West, and the hon. member for Saint-Denis were included with this vote. If they were, they ought not to have been. They would have breached the rules of this House and they know it, particularly the hon. member for Pontiac because of his long years of service in this House.

Mr. Lefebvre: Mr. Chairman, I hope I was counted because I was in the House. I refute categorically the allegations put forward by the hon. member for Grenville-Carleton.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Chairman—

The Chairman: Before again recognizing the hon. member Grenville-Carleton, I should recognize the hon. member for Ottawa Centre.

Mr. Poulin: Mr. Chairman, it was very inappropriate of the hon. member for Grenville-Carleton to comment on a vote after it was taken. That was against the rules and procedures of this House.

Some hon. Members: Hear, hear!

Mr. Poulin: However, since he chose to name me and my constituency, I may say that I had come back into the House and I was behind the curtain, on the line. I stayed out. I honoured that commitment. I did not come across that line. It was petty and small for the hon. member for Grenville-Carleton to make that comment.

Mr. Fleming: Mr. Chairman, I simply want to make the same point. I thought that I moved in on time. There was some shouting from the other side at that point, and I looked to Your Honour for direction.

Some hon. Members: Oh, oh!

Mr. Fleming: My name has gone into the record with the suggestion that I tried to act wrongly. I want to clear

that up. I do not want that on the record. I went out. The hon. member for Grenville-Carleton is fully aware of that. He should not have suggested that I acted wrongly.

Mr. Benjamin: Mr. Chairman, I rise on the same point of order. The hon. member for Grenville-Carleton asked a question, namely, whether certain members were included in the vote.

Mr. Baker (Grenville-Carleton): That is all.

Mr. Benjamin: He named certain members who, in his opinion, were not in the chamber on time for the vote. At no time did the hon. member for Grenville-Carleton claim that they tried to vote improperly. He only asked if they were counted. I want to verify whether the hon. member for Ottawa Centre and the hon. member for Saint-Denis were included in the vote. In my opinion, they were not in the chamber in time for the vote. I ask the same question of the Clerk, through you, Mr. Chairman, whether those two members were included in the vote. That is all.

[*Translation*]

Mr. Prud'homme: Mr. Chairman, I rise on a point of order.

The Chairman: The hon. member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Chairman, I do not understand at all the unbelievable nervousness of the hon. member for Regina-Lake Centre (Mr. Benjamin). When you put the question, he was looking at you. I was then speaking with the hon. member for Champlain (Mr. Matte) in the fifth row. Casually, the hon. member for Regina-Lake Centre seems to apply what is called one law for one's friends and another for one's foes. He does not object to the vote of the hon. member for Champlain, with whom I was speaking in the corner of the House, since the latter voted in the same way as he did. He does not oppose to his vote, but to mine, because I was supposed to be on the other side. But he is perfectly aware of the fact that we are allowed to sit anywhere. He does not object to the vote of his colleague for Champlain, with whom, I repeat it, I was speaking. Mr. Speaker, I think we should certainly proceed with more serious things and stop playing games.

● (1530)

[*English*]

Mr. Alexander: I think the confusion arose because of members who will not stand clear of the curtains. I am not pointing a finger at anyone, but if this ball game is to be played the way it should be, members on both sides will have to stand back from the curtains so as not to confuse the Clerks at the Table. In this way we may be able to expedite the passage of this bill—I understand there is some semblance of an agreement—

Mr. Peters: Oh!

Mr. Alexander: All right, then. I will cancel that statement. But surely we can now proceed to the consideration of the bill.

[Mr. Baker (Grenville-Carleton).]

Mr. Baker (Grenville-Carleton): Mr. Chairman, it was imputed to me that I had said that certain members I had named were absent. I did not say they were absent. If I did, I would apologize to those members. What I did was to ask whether their votes had been counted. If there was any statement made as to the absence of those members it came from the hon. member for Ottawa-Centre. I was careful not to use the word absent. But, of course, now it is out.

The Chairman: Order. The question has been aired long enough. All members are aware that when we are in committee of the whole members are not identified while a count is being taken. The Clerk who took the count assures me that the only members he counted were the ones who were clearly within the confines of the chamber. He did not count any who were behind the curtains. This leads me to conclude that only those who were in the chamber at the time the vote was called were counted.

It is, of course, difficult for the Chair to see what is happening on both sides of the committee at the same time, and if hon. members come in after a question has been put it is not easy to identify them. This bring me to the point I wish to make.

I realize we do not very often sit in committee of the whole, but hon. members might take time once in a while to read Standing Order 12(2) which says that when the Chair is putting a question no member shall enter, walk out, or cross the floor of the House, or make any noise or disturbance. We have had all of this. I am not talking only about coming into the House. I am talking about noise and disturbance. This does not help the Chair and it does not help the proceedings of the committee. I might add that those members who were behind the curtains and who, by bending over, did not help the Clerk to count the votes, making it more difficult for him, are to be blamed.

Mr. Munro (Esquimalt-Saanich): On the point of order, Mr. Chairman—

Some hon. Members: Enough!

Mr. Munro (Esquimalt-Saanich): —about those two who came in after the vote was called, it is distinctly my impression, sitting where I am, that the hon. member for Mississauga came in and was counted.

The Chairman: Order. A ruling has been made, the amendment has been defeated, and I an now putting the question on clause 1.

Mr. Knowles (Winnipeg North Centre): May I put another question to the Minister of Finance with respect to the wording of clause 1? I have in mind in particular the last four words, "other than aircraft engines". Could the minister explain the meaning of this to me? I take it to mean that gasoline which is used in airplanes is not subject to this ten cents a gallon tax. I can understand that this might as well be the case as far as commercial airlines are concerned because if they pay the tax they would be able to obtain a rebate since they are operating a commercial or business enterprise. But I should like to ask whether this also applies to the private owners of small aircraft. I suspect there are certain persons who use their aircraft

to get to work, and they would not be obliged to pay the tax. Yet those who use their automobiles to get to work will have to pay it. Does the minister think this is fair?

Mr. Turner (Ottawa-Carleton): The same considerations apply here, really, as apply in the case of diesel fuel. Over 95 per cent of the type of gasoline sold for use in aircraft is supplied to commercial or chartered airlines which would be exempt in any event. The price of administering such an exception as the hon. member is suggesting would be unduly high. I might point out that in a previous budget a 10 per cent tax was imposed upon the purchase of private aircraft, which has a complementary effect when the two are put together; there is already a 10 per cent excise tax on the purchase of private aircraft.

Mr. Munro (Esquimalt-Saanich): On a point of order, Mr. Chairman—

Some hon. Members: Oh!

Mr. Munro (Esquimalt-Saanich): —I wish to make a correction to the point of order I raised a few moments ago. It was not to draw attention to the absence from the chamber of the hon. member for Mississauga but to say it was the hon. member for Peel-Dufferin-Simcoe—I had the impression he came in through the curtain to be counted after the vote was called.

Mr. Milne: On that point of order, Mr. Chairman, I happen to be the hon. member for Peel-Dufferin-Simcoe and I was sitting here writing a couple of letters, rather amused at the antics of the people opposite me.

Mr. Railton: Mr. Chairman, I can confirm that my hon. friend was here all the time.

Some hon. Members: Withdraw!

The Chairman: Order. I do not think we should pursue this matter. A decision has been rendered, the vote has long been taken. I do not think we ought to return to a discussion of who was in the chamber and who was not. I made my decision, and I invited the co-operation of hon. members when votes are taken in the future.

Mr. Milne: I think, in the circumstances, it would be appropriate for the hon. member for Esquimalt-Saanich to withdraw.

Mr. Munro (Esquimalt-Saanich): I certainly withdraw.

Some hon. Members: Hear, hear!

● (1540)

Mr. Peters: Will the exemption in regard to gasoline used for private aircraft be based on octane rating? I know of many small fields where aviation fuel is delivered by an entrepreneur from the community, who also delivers other fuel. Is the exemption based on type of fuel used or does he apply for the exemption after having serviced the aircraft?

Mr. Turner (Ottawa-Carleton): Aviation gasoline is exempted to begin with, and the reason is that 95 per cent of the fuel is used in commercial aircraft. I would remind the committee that in the previous budget a 10 per cent special excise tax was levied against private aircraft.

Mr. Peters: I am also aware that many small aircraft use ordinary gasoline rather than a specific type of commercial aviation fuel. It is high octane fuel which is also used for high compression engines in automobiles. My point is, how is the exemption applied for gasoline supplied to a commerical flying club?

Mr. Turner (Ottawa-Carleton): It is my understanding that the overwhelming amount of gasoline used for aviation purposes is so designated. If a gasoline could be used in an aircraft, it would be exempt if used in an aircraft. I really think this is a matter for National Revenue Canada, but its use is fairly restricted.

Mr. Peters: I agree it is restricted, but this would apply to all flying clubs. On every field there are two or three dozen aircraft, and I want to get the answer to this question before two or three other people ask it of me. How is the person who delivers the gasoline going to certify that it is exempt? Is the distributor going to be given a form that will allow him to apply for an exemption?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as I have said, I think we should leave this problem to National Revenue Canada. If it is ordinary gasoline it is subject to the excise tax. If it is delivered to a commercial flying club and is used for commercial aviation purposes, the purchaser is entitled to a refund. The great majority of the gasoline that is available for aircraft is aviation fuel which is used for the internal combustion engine of an aircraft.

Mr. Rodriguez: Mr. Chairman, I have a few questions to ask the Minister of Finance. I realize he was faced with the problem of compensating eastern consumers and that he has to raise $500 million. When he was faced with this problem, surely he must have considered alternatives. Can he tell the House what the alternatives were that he considered, why he rejected them, and why he selected this particular tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I set that forth in the second reading speech and in the budget speech. Primarily the tax was applied against users of gasoline because I felt that was in the fairest way of apportioning it. An alternative might have been through the personal income tax system, but even progressively imposed there are a good many income taxpayers who do not own, drive, lease, or operate an automobile.

The Leader of the Opposition suggested that we could have achieved our objective by cutting expenditure further, but there again we have already tried to cut expenditure by $1 billion. So we felt that in order to maintain a national price for the general use of oil and gas other than for personal use—that is to say, oil and gas used for home heating, industrial use and commercial use—right across the country at $8 a barrel as against the world price of $12 a barrel, we thought it fair to impose the tax on the users of personally consumed gasoline. As I say, we thought that was the fairest way to do it, fairer than using personal income tax since the average payer of tax might not be equated with the average driver of an automobile.

Mr. Rodriguez: Did the minister consider the fact that there are $7 billion of deferred corporate taxes outstanding? Did he consider applying a 10 per cent interest charge on this deferred tax, which would raise $700 million? If he did, why did he reject it?

Mr. Turner (Ottawa-Carleton): At this stage we had to encourage the continuance of capital investment in this country to provide industrial capacity and job potential for the next few years.

Mr. Rodriguez: Considering the fact that, in effect, this is an interest free loan which all the people in Canada who do not own businesses are lending to the corporations, would it not have been very fair to apply even a 5 per cent interest charge? On that amount this would have brought in considerable revenue to offset the deficit.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I disagree with that interpretation. This money is only deferred from tax, because it is eventually paid, on condition that the businessmen or corporations involved increase capital plant, which increases industrial capacity in the country and the job producing potential.

Mr. Rodriguez: Most reports indicate that that tax is never paid anyway. Let me ask the minister another question. Can he tell us why he exempted doctors and lawyers? Why would he give a rebate to doctors and lawyers? If it is because they are using their cars in pursuit of their work, why not exempt other working people who use their cars to get to work, such as miners in my area?

Mr. Turner (Ottawa-Carleton): The hon. member is incorrect. Doctors and lawyers are not exempt. They will pay the ten cents tax on their gasoline when going to their places of work, just as any other citizen will. If a doctor is out on a call, however, this gasoline is being used for the purpose of earning income and will be deductible. But the doctor would have to pay the ten cents per gallon on gas used when going from his residence to his place of work, just as any other citizen.

Mr. Rodriguez: In view of the fact that when doctors are called out they are going to a job for which they are compensated—they do not do it for nothing—why does the minister not treat miners in the same way when they are called out to go to work?

Mr. Benjamin: Mr. Chairman, I should like to pursue this with the minister a little further. There are a couple of other alternatives. The minister said he decided against using the income tax as an alternative, particularly on an individual basis, because some people do not drive cars. Would it not be easier if the taxpayer indicated on his income tax form whether or not he drove a car? This is a lot easier to check on than policing applications for rebates. Would it not have been simpler to exempt individual taxpayers whose income was below a certain amount? This would include most if not all of the people who do not drive a car but do pay income tax.

● (1550)

Another option is open to the minister. On the $15.4 billion corporation taxable income, last year the effective tax rate was 32.4 per cent. Would it not have been easier to assess a 5 per cent increase in the effective tax rate in order to collect part of the money for the oil compensation fund and collect the other half from income tax on high wage earners? Another alternative would be a 10 per cent increase in the effective tax rate on taxable corporate income, which would have brought in the $525 million. Surely individual income tax and corporation taxes, or a combination of the two, would have done the job rather than going through all this nonsense of exempting occupations and classifications and then policing the rebates?

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there are about 9½ million personal taxpayers as against about one million people who are eligible for rebates. The hon. gentleman is wrong in his estimation of the administrative difficulties.

Mr. Mazankowski: Mr. Chairman, may I ask the minister a question in regard to the tax as it applies to commercial trucking concerns. Has the minister had any discussions with the Canadian Trucking Association with respect to the administration of the tax? Also have the minister and his officials explored ways and means of minimizing the administrative procedures in the collection of the tax, such as an exemption certificate or some consideration for tank wagon lots at the wholesale level?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman. We received representations from the Canadian Trucking Association and I am exploring ways to satisfy those representations.

Mr. Mazankowski: If the legislation as it stands is not flexible enough to provide for exemption certificates or minimizing administrative procedures, will the minister be introducing an appropriate amendment to allow that to take place?

Mr. Turner (Ottawa-Carleton): The hon. gentleman has rephrased the question put to me earlier in a more flexible way. We are looking at it closely.

Mr. Towers: Mr. Chairman, the minister mentioned that a doctor could get a rebate on gas used for going out on a call. How is this going to be regulated? Is it just going to be by the word of the doctor, or will a schedule be used or a table referred to?

Mr. Turner (Ottawa-Carleton): It will be done in the same way as it is under the Income Tax Act. A doctor is required to declare, and prove if necessary, what percentage of his mileage is used on house calls, what percentage for personal use, and what percentage for going to his office. Personal use will not be subject to rebate nor will travelling to his office. Only house calls are eligible.

Mr. Rodriguez: Mr. Chairman, it is rather interesting that the minister has said that doctors who are called out beyond the distance from their homes to their offices would qualify for the rebate. What about plumbers and electricians who go out on emergency calls beyond the distance of their work from their homes? Will they also be able to collect a rebate.

Mr. Turner (Ottawa-Carleton): If the plumber is an independent contractor he will qualify.

The Chairman: Shall Clause 1 carry?

Mr. Rodriguez: I just want to continue that, Mr. Chairman. There are many electricians and plumbers and other skilled tradesmen who are not on a private contract. They work to a contract, but when there is an emergency they are called out. Why should they not qualify on the same grounds as doctors and lawyers?

Mr. Turner (Ottawa-Carleton): In a good many instances that expense is covered by the employer.

The Chairman: Shall Clause 1 carry? The hon. member for Regina-Lake Centre.

Mr. Rodriguez: Mr. Chairman, I have another question—

The Chairman: Order, please. I recognized the hon. member for Regina-Lake Centre.

Mr. Benjamin: Mr. Chairman, this is the most ridiculous—

Some hon. Members: Hear, hear!

Mr. Benjamin: This is one minister I always thought would not allow himself to be party to such outrageous nonsense as this. The plumber, electrician, or a similar tradesman who is an employee of a firm or is on a special contract, is paid a salary and maybe called out. What about the foreman at the steel plant who is called out on an emergency at three o'clock in the morning and has to make a 40-mile round trip? He does not get the rebate.

Mr. Knowles (Winnipeg North Centre): Four o'clock.

Mr. Broadbent: Four o'clock.

Mr. Benjamin: Mr. Chairman, I hope it is beginning to dawn on the minister how ridiculous this move is that he is using to try to collect $525 million. We are not going to hold still for it.

The Chairman: Order, please. It being four o'clock p.m. it is my duty to rise, report progress, and request leave to sit again at the next sitting of this House.

Progress reported.

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

● (1600)

[*Translation*]

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I think there is agreement to proceed to the consideration of notice of motion No. 40 in the name of the hon. member for Richmond (Mr. Beaudoin).

[*English*]

Mr. Deputy Speaker: Order, please. Is it agreed that we proceed to the consideration of notice of motion No. 40

appearing in the name of the hon. member for Richmond (Mr. Beaudoin), and stand motions Nos. 2, 15, 19, 20, 34 and 37, at the request of the government?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

AGRICULTURE

SUGGESTED STUDY OF INDUSTRIAL MILK PRODUCERS

Mr. Léonel Beaudoin (Richmond) moved:

That, in the opinion of this House, a study should be made on industrial milk-producers in order that the government take the necessary steps to guarantee to these producers prices that would take into account production costs in view of reducing the number of industrial milk-producers who abandon their activities.

He said: Mr. Speaker, I am very pleased today to take part in the House in a debate on the motion I have introduced and which is very important. I even sugggest that it is of utmost importance to Canadian agriculture and especially to the dairy industry. My motion reads as follows:

That, in the opinion of this House, a study should be made on industrial milk-producers in order that the government take the necessary steps to guarantee to these producers prices that would take into account production costs in view of reducing the number of industrial milk-producers who abandon their activities.

However, Mr. Speaker, I must mention that I moved this motion in the House on October 10, 1974. Which means that the government dragged its feet heavily before allowing it to be debated and this in spite of the problems facing dairy producers, whom I mean to defend this afternoon.

It is a pity the government should let situations such as this deteriorate. Nevertheless, I am glad my motion is debated today. Not only is the issue still relevant, it is still more so in view of all problems which have compounded the situation since last fall, as well as those which the government has created through its incompetence and lack of initiative in the area of industrial milk production.

Not only has the Department of Agriculture failed to take adequate steps to support our dairy milk producers, it has made life even more miserable for them by doubling from 45 cents to 90 cents a hundredweight, effective July 1, 1975, the costs which Canadian dairy producers must pay for their exported products. Anyway, the Agricultural Producers' Union and the Federation of Industrial Milk Producers of Quebec wasted no time in reacting, and rightly so, because the situation is becoming increasingly critical.

In fact, those 90 cents that are withheld from the producers on powdered milk, exports, will mean that every industrial milk producer will lose an average of $2,000 annually. To my mind, that is utter nonsense. One does not need the brains of Papineau nor those of several ministers put together, the majority of whom are lawyers, to know that this step will simply ruin again hundreds of our milk producers. And all the more so because produc-

tion costs rise constantly with costs going up for feed, fertilizers, chemical products, energy, fuel, farming equipment and so on.

In other words, the situation has become a catastrophe because, on the one hand, the cost of production goes up continually, while on the other hand, the producers see their income decrease. No one can suffer losses and stay in business especially in the milk industry, because the production of milk requires huge investments, it entails numerous risks such as cattle diseases, and the weather on which good crops and the cost of feed depend.

● (1610)

I see that the hon. member for Richelieu (Mr. Côté) is listening. Since he is a producer, he must be quite interested. During the six-month period alone extending from the third quarter of 1974 to the first quarter of 1975, production costs have increased by 8.95 per cent, that is 84 cents a hundredweight. If we add those 84 cents to the set price for the third quarter of 1974, that is $9.41, we get a net price of $10.25 a hundredweight of milk, while the producer actually gets $9.97, less the 90 cents which the federal government must withhold for that famous export of powdered milk, less the transport cost of his milk to the dairy averaging 75 cents a hundredweight, which leaves a gross amount of $8.32 a hundredweight and this for 3.4 of fat matter.

This suggests, as indicated by the APU in its brief dated July 15 last, that the producer was in a better posture last year. Mr. Speaker, if the minister does not react as a result of such serious conclusions, I wonder when he will do so and what could make him move.

For instance, in January last, a press release from the Department of Agriculture on the outlook of the industry for 1975 indicated that gross farm income would increase by 4 per cent, but that, on the other hand, net farm income might tumble down by 12 per cent, due mostly to the rising costs of production. The Department of Agriculture itself admitted by this statement that there was real cause for concern. And at that time, there was no mention of this illogical rise in export costs nor of the price increase of gas that the government might pass on Monday.

Let us be realistic, Mr. Speaker, even if the Minister of Finance (Mr. Turner) indicated that farmers could recuperate at the end of the year the 10 cents tax on gas, they will nevertheless suffer from the increase in fuel prices on account of all petroleum by-products used on the farm.

Therefore, it is obvious that the imbalance is increasing in an intolerable manner in the area of industrial milk and that the efforts undertaken to stabilize the prices in this industry have collapsed merely on account of the last increase of 45 cents per hundredweight of powdered milk to cover export costs.

The situation being such, Mr. Speaker, I therefore strongly recommend that my motion be agreed to because it is absolutely necessary and even vital for industrial milk producers. It is imperative that the House realize that, deal with those problems and immediately correct them before it is too late.

If the situation is left uncorrected and things are allowed to deteriorate from day to day, farmers will leave their farms and those who will dare stay on will accumulate deficits for as long as they will have the courage to keep on feeding the population and after a while, they will go bankrupt because there is not any manufacturing or other business where one can sell products below the cost of production and stay in business.

Today a purebred cow costs approximately $1,000, a half-bred cow about $700. I am referring to a dairy cow and the way cows are looked after today, the average milking period lasts about six years, which means that the farmer has large investments with regard to his dairy cows only. That also means that a good herd takes years to get established and requires very particular attention and care.

In addition, the dairy producer has the responsibility for coverings that must be done at the right time to get a continuous production and he must take the risks. Dairy production is really a profession.

A farm that works well must spend each year about $4,000 on general repairs and maintenance, exclusive of machinery depreciation. A farm with a dairy herd of 100 requires an investment of $200,000 approximately. At an interest of 8 per cent, this means $16,000 in interest charges only. However, you have to add $4,000 for maintenance and upgrading, and $6,000 for cattle turnover, including heifer breeding to replace cows, that is breeding and buying young cows. This means approximately $26,000 of unavoidable expenses, not including municipal and school taxes, seed costs, harvesting expenses and so on. All in all, the cost of operating a farm with 100 dairy cows amounts in fact to approximately $40,000 a year.

Mr. Chairman, in my opinion, those figures deserve consideration, and I would like to have that matter debated if my motion is agreed to by the House. There are a number of particulars I would like to mention and a number of remarks I would like to make in that respect, since I happened to be in the dairy business for several years, and I am familiar with the question. I would also like other members with experience in that area of production to speak up and contribute to the debate after the motion has been agreed to, in order to make the House fully aware of the real nature of the problem and to help it take appropriate corrective measures.

One must admit that today, industrial milk producers as well as farmers in general no longer have a net income that would merely match the interest on their investments, especially since the government, in 1969, allowed interest rates on agricultural loans and machinery to go up through bank loans. Input costs keep on rising, and income is being cut down while powdered milk export costs are left to increase immoderately. I dare say most industrial milk producers would be better off and would have a happier life with both feet in the stove, Mr. Chairman, as they say in Quebec, content with the interest of their money instead of working themselves to death night and day on their farm only to get the results that we know.

Just to show how serious the problem is, allow me to say that over the past ten years, the price of corrugated iron for instance and the cost of repairing buildings increased by 400 per cent, while the prices of machinery went up by 450 per cent. And what about salaries for farm hands?

Over the same ten-year period, the price of milk doubled only. At such a rate, those who are still producing industrial milk are no longer doing production work, but missionary work to feed the people at any cost. Industrial milk producers are not fools, far from that. They may have more sense than most members here. One day one of them will get up in the morning, sit down with his good wife and solemnly say, somewhat bitterly: "Well, that is the end of it! We sell everything." And then we are less another producer. Everybody will agree on that. Some might say: "Well, he will sell to another producer". And again: "What can be gotten out of it with another producer?" Even if he can sell his farm to someone who will go on producing industrial milk, milk production on the farm will decrease by 50 per cent. That is automatic. And I can prove it. Those are important explanations to give to the House in order that the Minister of Agriculture (Mr. Whelan) may act accordingly. With a new owner there is a 50 per cent drop in production. Where the former owner produced one ton of milk per day, three or five years later, the new owner will be producing half a ton only, for a number of reasons, due to inexperienced help or simply because of milking procedure changes, different grazing quality, or "commuting" cows from one field to another, which directly affects the volume of milk given by the cows, etc. Such are the facts, they cannot be ignored. When the day comes when we have to pay butter at $1.50 a pound, milk at 70 cents a quart, meat at $2.00 a pound and when we have to depend more and more on imports from other countries to feed Canada, when farmers are deliberately strangled, then it will be too late for the government to recognize its errors. They will have what they asked for. I introduced the motion in order to put a stop to that situation, to protect industrial milk producers in view of the seriousness of the present situation. I therefore ask for this House's attention, and the non-partisan cooperation of every member and minister, so that the motion be agreed to and that the proposed review may be conducted, in order to save our dairy industry if it is not too late. I am not trying to act smart but I wish to draw the attention of the government to this problem, so that in the future there will be still farmers left on our farms and we can be sure to eat three times a day fresh produce of our land, which have been grown by our gallant and courageous brothers, the Canadian farmers.

● (1620)

In conclusion, Mr. Speaker, let me give the government a bit of advice. At present, the government through the board of officials from the Department of Industry, Trade and Commerce imports, every year, 50 million pounds of cheese, as well as eggs, beef and porks, from the United States or other countries, with the Department of Agriculture or its Minister having no say in the matter. The importation of any farm product from any country should come under the jurisdiction of the Agriculture Department, therefore that of the Canadian Minister of Agriculture. Working in cooperation with Growers' Association and Farm product Marketing Boards he is familiar with the problems, the costs of production in each field, the Canadian consumers' needs and the amount of production which should be encouraged through subsidies or other means.

Therefore, Mr. Speaker, when we come back here in the Fall, after the summer recess which, in my view, all members really deserve, I would like the government to introduce a bill which would allow or enable one department only, namely the Department of Agriculture, to control the exportation and importation of agricultural products. This would have the effect of guaranteeing a sufficient output for the consumer, as well as a fair price to the producer, so that we may plan a long-term policy with a view to setting prices on the basis of production costs, so that our farmers take heart and remain in the farming business and that the young people who will become the farmers of tomorrow be assured of a decent living.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as Parliamentary Secretary to the Minister of Agriculture (Mr. Whelan), I should like to clear up the situation with regard to the dairy policy. All of us have long since recognized the importance and special character of the dairy industry in Canadian agriculture. Last year, the dairy industry accounted for 15.5 per cent of agricultural revenues. These figures do not take into account everything that milk and its by products represent for the other sectors of our economy. As in several other countries, the Canadian dairy industry operates under a price control system. As a result, the government has resorted to different ways of controlling production. Our programs have had great influence on dairy production and on the decisions of dairy producers. The latter want to obtain adequate guarantees as to the stability of their production so as to be able to make the investments required by modern and viable dairy enterprises. Indeed the government has adopted measures to give such guarantees. One of the objectives of the dairy policy is precisely to guarantee milk producers adequate income. Thus, we hope to witness the disappearance of the climate of uncertainty caused by the recent period of rapid increases in production costs.

Please allow me to repeat certain statements made by the Minister of Agriculture last April 18 before representatives of the dairy industry. Mr. Whelan had then announced a new formula for the adjustment of milk prices, which enabled to adjust the income of dairy producers. This formula takes into account production costs, and the remuneration of the producer and of the family manpower. The formula was developed as a result of several studies and discussions between the people concerned.

In April 1974, the Canadian Dairy Commission was authorized to meet the producers' associations and develop a program to achieve better balance between production costs and income. As a result, the Commission held a series of most useful meetings with representatives of the industry, whose recommendations were included in the new policy.

On November 29 last, the minister met the representatives of the Dairy Farmers of Canada. They presented him with a brief which was also used in developing a formula for the readjustment of prices. The members of the Canadian Dairy Commission, the representatives of the producers and the officials of the department worked hard, together, in an effort to find a sound formula. It may

be easy to calculate the cost of feeding the cattle, the cost of labour, of fertilizers or fuel, but the value of the land, pastures and buildings, is much more difficult to assess. In short, we tried to find a formula that would be effective and fair to everyone and would enable us to develop an advanced dairy policy.

All the details of that formula were announced in the past few months. I would simply like today to go over the main lines and clarify certain details. According to the legislation setting up the Canadian Dairy Commission the objects of the long term dairy policy of the government are:

1, to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment;

2, to provide consumers of diary products with a continuous and adequate supply of dairy products of high quality.

Pursuant to those objectives the government raised, effective April 1, the level of support prices by $11.02 per hundredweight. That amount represents the basic price implemented under the new policy. I must remind you that this price included all adjustments made in recent years by the government to offset increases in production costs and bring producer revenues back to suitable levels. The basic price will be adjusted on the basis of changes in production costs under a formula that came into effect last April 18.

In that price adjustment formula 45 per cent was allocated to the current expense index for adjusting production costs. The different components of that 45 per cent are defined as follows: concentrates and fodder, 13.4 per cent; insemination, 0.6 per cent; herd health related expenses, other transportation expenses and miscellaneous cattle expenses, 7.8 per cent; repairs to machinery and automobile expenses, 3.1 per cent; gasoline and oil, 2 per cent; rental of machinery or contract work, 0.4 per cent; lime and fertilizers, 3.1 per cent; seeds and other crop related expenses, 1.9 per cent; maintenance, land and buildings, 1.4 per cent; property taxes and insurance, 2.8 per cent; electricity and telephone, 1.9 per cent, and lastly, monthly paid farm workers, excluding the salary of the family, 6.6 per cent. It makes a total of 45 per cent.

The second index considered in the formula is the consumer price index as it modifies producer and family revenues. It represents 35 per cent of the formula. If we add those who indices we obtain 80 per cent.

● (1630)

By indexing only 80 per cent, the government keeps a margin of 20 per cent which leaves room to adjust prices according to future needs. This is an advantage that allows us to consider a number of factors, for instance significant changes in domestic and international stocks, changes in the revenue of dairy producers in other countries or major changes in competitive costs inherent in processing.

The percentages of 80 per cent and 20 per cent were defined from an analysis made by government experts and based on farm accounting statements for 1972-73. The next programs of the Canadian Dairy Commission will adjust the support level from this formula. We know that the indices must vary by minus or plus 4 per cent to warrant a readjustment of milk prices. Provisory adjustments will be made only if needed and when a period of at least three months has elapsed since the last adjustment. This percentage of 4 per cent seemed to us the best way to avoid too many changes in a same year and excessive price increases for the consumer.

As I said earlier, changes can only be made at three month intervals. We should therefore have been able to adjust the prices on July the 1st. There has been no change because the calculation of indexes has shown a margin of less than 4 per cent. As regard the duration of the policy, the government, yielding to the producers' representations, has decided that the new policy would be set up for a five year period. This lapse of time is about what is needed to help the producers plan in advance their investments. After the first two years, the government may see fit to review the formula itself in order to ascertain the validity of the ponderation factors.

There is still a major point to clarify: exports. In order to do that, I have to set forth the trade situation. On the world level, stocks of powdered skim milk are increasing and prices are sagging. At the beginning of 1975, the price for skim milk was 45 cents a pound. In April, when the European Economic Community increased its export subsidies, the price went down to 36 cents a pound, and it has kept going down ever since. It is now 26 cents a pound. It is therefore important to realize the whole extent of this problem. Faced with such a decrease, Canada has two alternatives: either accept competition and sell at the international price, or accumulate stocks. Obviously the second solution must be eliminated, because it would be too expensive. If we sell at the international price, we must support the ensuing losses.

Thus, for every pound of powdered skim milk, whose price was fixed at 64 cents, we must figure a loss of 37 cents. If we calculate total exports set at 200 million pounds, we obtain an exorbitant price—$74 million. The government is therefore forced to intervene and raise the deduction on exportation of industrial milk. Since July 1 this deduction is 90 cents a hundredweight. Although it is strongly criticized, this increase is necessary to maintain sales of powdered skim milk at the current levels of international prices. I explain. We were fully justified to announce an objective price when the international price was normal. In April, that price still allowed competition, with the deductions we had at that time. Unfortunately, the situation changed completely, and the Canadian government is not responsible for it. You know our department is much interested in exportation. We always tried to find new markets for Canadian products. The present situation leaves us with very few alternatives.

We have already considered the impact of government financing, but it would create many more problems than it would solve. Producers have already committed themselves to Canada to pay export costs according to a supply management program under GATT. Any government interference might have adverse effects and would merely be prejudicial to producers.

That is why we must levy the required amount at the production level. Be assured that we will try to devise the

best means to solve this problem. To that effect, we have received proposals from industrial milk-producers. We should like to protect Canadian producers against international market fluctuations and we shall look fully into all the proposals submitted to us.

Let us now examine the matter of the decreasing number of producers. One of the goals of our policy is to provide adequate supplies to meet the needs of the Canadian consumers. Shall we reach that goal? Necessarily, with more producers. We have already noted an upward trend in production in the last few months. The only way to understand the decline in the number of producers is to rely on figures. It is true that the number of producers has decreased in the last ten years, but one should not jump to conclusions too quickly.

As a matter of fact, there is a significant increase in newcomers. In 1971-72, 1,500 young people entered agriculture and 1,600 farmers' sons carried on the work of their father. In 1974-75, the number of beginners amounted to 3,000, that is twice as many as three years before, and 1,900 carried on the work of their father. You will agree with me that these figures are significant. Within three years, the number of beginners doubled. Is the increased interest of young people in agriculture not a guarantee for the future? Let us keep in mind that the decrease in the total number of producers is mainly due to age. Even at times when the price of milk was quite favourable, the number of producers kept decreasing. Now we must review the situation.

If the number of producers is on the decline, how is it that supplies remain about the same? The answer is quite simple: producers are more and more effective. In 1971-72, each producer delivered an average of 150,000 lbs. of industrial milk. Today, they are delivering about 175,000 lbs. Here again, figures speak for themselves.

In the general interest, we must promote an increase in the number of deliveries by producers. It is a means of improving the productivity and efficiency of the undertaking. A study made in 1971 on industrial milk production in Quebec and Ontario has shown it. It appears that the production costs for farmers who have cows giving an average of 6,000 to 8,000 pounds of milk are almost double those who have cows giving from 8,000 to 11,000 pounds of milk.

Some changes are now taking place indicating some progress. The decreased number of producers has given rise to the growth of the undertaking. For example, in 1966-67, 61 per cent of Canadian farmers were producing less than 100,000 pounds of milk per year and 2.6 were producing over 300,000 pounds. During the daily year 1974-75, only 31 per cent produced less than 100,000 pounds of milk and up to 14 per cent produced over 300,000 pounds.

● (1640)

I know that it is useless to insist further, these figures are quite significant. Future will tell us the rest. The government does it utmost to offer an attractive income to encourage young people to get into farming. We offer not only grants and adjustment formulas but also improvement programs which have already give Canadian farmers the reputation they deserve. The development of dary farms did not come by itself, nor overnight. Among other things, about $3.5 million have been provided for the dairy control program and this is a program which Canada can be proud of. Since 1960, the annual yield per head increased by 300 pounds. The government is responsible for a good part of this increase. We encouraged the genetic improvement of dairy herds, notably through artificial insemination, the judicious choice of bulls, the upgrading and sound management of dairy farms. Free services are available to producers which enable them to increase their efficiency. I think that this new policy will put the industry back on the right track again and that the next few years will be for both producers and processors a period of stability and expansion.

I want to be clearly understood. I do not claim that the new policy will solve all the problems in the dairy industry. A policy can only provide for a framework enabling producers to make progress and to find by themselves solutions to the production and marketing problems. The government has been committed for a long time in the development of a comprehensive and long-term dairy policy. We have fulfilled our task completely. It is now up to the industry to assume its responsibilities and to contribute to the success of the dairy policy.

Mr. Speaker, I wanted to put things straight on this motion.

Mr. Roch La Salle (Joliette): Mr. Speaker, first of all, I would like to congratulate the mover of the motion in view of the present situation, especially that of the last few days. I believe that this motion is most welcome. I therefore congratulate the mover and tell him that we have no hesitation in supporting a policy which would correspond much better than the present one to the aspirations and the needs of dairy producers. Mr. Speaker, I would like to emphasize the intervention of the Parliamentary Secretary to Minister of Agriculture (Mr. Corriveau). Like the hon. member who spoke before him, he quoted very interesting statistics. He also talked about the efforts of the government as concerns agriculture.

To remain quite positive and objective, I would like to agree immediately with the fact that the government has made some efforts, that it has introduced several measures, and that it has been doing so for a long time, but this should not lead us to believe that the dairy industry is now in a comfortable poition. Again, I would like to say that we would support measures aimed at providing stability and the necessary income to dairy producers.

Statistics may be quoted and we may be reminded of the measures introduced by the government, but it still remains that we cannot forget the present situation. This is the main issue. I believe that this is why the hon. member for Richmond (Mr. Beaudoin) found it appropriate to move this motion in view of the difficulties, and, I know perfectly well that our colleagues opposite are also aware of these difficulties. In closing, the Parliamentary Secretary mentioned that it is time for the dairy industry to take its responsibilities.

Mr. Speaker, I believe that the dairy industry has taken its responsibilities according to the programs introduced by the government through rather extraordinary modifications and massive investments, and we recognized this; the statistics prove it. Production has reached a very

interesting level and people have specialized and have become more knowledgeable as concerns management and administration, and we recognize this fact. We know also that, thanks to the Farm Credit Corporation, funds have been earmarked to help producers get organized. They did, they are prepared to make a living out of that, but there is the matter of inadequate income. I hope the Minister of Agriculture, for whom I have great respect and who is an expert in farm matters, will find solutions. We hope he will find solutions. I remember in April last, the Milk Producers Federation made representations and studies, and presented a brief establishing production costs which called for additional subsidies. They had promised, they were committed to find formulas as good as those the parliamentary secretary talked about a moment ago, on a long enough period to meet the required minimum to prevent the milk producer from vegetating and to ensure a continuity and to get him interested in taking over the family operation.

But we know full well than in April last they did not meet requirements and production costs which had been established and recognized by the Prices Review Board. The government did not meet all the demands of the milk producers and what, as demonstrated by serious studies, were the actual cost. But when the minister promised some changes, the Milk Producers' Federation relied on him and hoped that finally they would get that basic income. I think we must see it that way. But we do know that recently, because of an unexpected situation concerning powder milk, the milk producer happens to be penalized and suffers a direct income lost. And we will never repeat that enough.

Of course we could say that things are not all that bad, our milk producers are better organized, our milking cows also increased their production. Certainly there are plenty of statistics pointing to improvement. But when we talk about essential income to allow those producers to have a decent living, as any other individual in our society, milk producers are far from feeling that secure. And this is why I, as many others, would urge the government if only to reply to the brief they received from FPU, to the representations made by the Dairy Farmers Union of Canada and the Canadian Federation of Agriculture.

So those organisations are now asking the government to take position and immediate corrective action, that is to say that the government must intervene in a hurry to precede the time when the contribution for the month of July will be reduced and we ask for your support; that is a letter that was sent to all members of this House. We hope the Minister who refused this week to commit himself to an affirmative answer on those briefs will have a change of mind. We also hope that all members of the House will succeed in convincing the minister of the urgency of this situation.

So if we look at the revenues we could have imagined for dairy producers in April last, we are now taking a step backwards when we limit ourselves to say that it is time for the dairy industry to face its responsibilities. I think that it is unfair to leave the dairy industry alone to defend itself against that situation at this time. The European Economic Community took its stand and the Canadian government might take some measures by setting up a fund, for a given period in any case, to meet and correct that situation, without letting the dairy producer pay for it. It will be understood, of course, that it is not only the government, especially not the Canadian government, which is responsible for an actual situation, but it does not have the right to let the dairy producers fend for themselves.

[Mr. La Salle.]

● (1650)

In my opinion, the request made by the Milk Producers Federation for the immediate withdrawal of the additional 45 cent contribution is fair. The Federation also urges the government to establish a fund to cover the costs of additional export grants which will be necessary for the remainder of the year, that is until March 31, 1976. In the meantime, producers should develop longer term alternatives to cover the export costs of powdered milk. The Federation should arrange without delay special meetings to that end.

Mr. Speaker, once more we will see after a number of years demonstrations by the dairy producers who have done a great deal and have responded in a positive manner to the government measures available to milk producers.

We readily agree that the government has made efforts, but we say that the government's silence with respect to the present difficulties is unacceptable, unfair and offensive to milk producers. I am convinced that not only the parliamentary secretary and other members who are more familiar with this matter will succeed in convincing the minister of the necessity of giving a positive answer to the dairy industry, but also that the minister will manage to get an interesting answer from the cabinet with respect to the establishment of a fund for the period specified in the brief submitted by the Canadian Federation of Agriculture. Mr. Speaker, I know some of my colleagues would like to speak on this matter, and I will therefore conclude my remarks.

I should like once again to congratulate the hon. member for Richmond (Mr. Beaudoin) for giving us this opportunity to comment on this delicate situation, and I also hope the minister and all the members of the House will understand how important it is to solve this problem and therefore make it unnecessary for milk producers to hold meetings at the regional and provincial levels and to come to Ottawa, which entails further expenses.

I think those organizations are responsible and their studies and analyses have been carefully prepared. The statistics provided by the parliamentary secretary are not questioned, but no one can come and tell milk producers: You are in a good situation. Hon. members know it is not enough. We ask them to make an extra effort in order to correct an injustice to words milk producers.

I said earlier this week that it was a public lie to dairy producers to talk about the additional subsidy they were granted in April and the deduction imposed to them. We gave them with one hand a grant which, again, did not amount to a sufficient income. Through the bill, we deprive them of an immediate profit with the other hand.

Given the circumstances, and I do not intend to repeat myself, I hope that the government will understand the most difficult situation dairy producers have to face. We talk about stability and development in the dairy indus-

try. We favour all that. One thing is sure, the dairy industry is not in an easy situation and government can very easily deal with that matter. Once again, dairy producers are quite ready to offer their long-term co-operation in order to find a formula which could be fairer for everybody.

Therefore I hope that the government will answer positively to the brief submitted to them and I challenge anybody to question these briefs. I have not prepared them myself, I do not have the ability to do so. I have considered them and I believe that they are worthwhile. Some members applaud when I admit that I do not have the ability to prepare such brief I only told the truth. I have nothing against someone who tells the truth.

The figures quoted by the hon. Minister of Agriculture (Mr. Whelan) come certainly from his office. They are well prepared, well documented, and his officials are capable to provide him with the required documents. They have been set forth by my hon. friend from Richmond (Mr. Beaudoin). They have been repeated by my hon. friend from Frontenac (Mr. Corriveau). And both have told the truth. I do not contest those data. I am sorry for the situation, I deplore those data and I urge the government to take action on this situation which hurts and about which the dairy producers are expecting action from the government.

Mr. Claude Tessier (Compton): Mr. Speaker, by making speeches at this period of the year and at such an hour, we raise questions in this House and throughout Canada. I am wondering about procedures, because at a time when we should be in summer recess, and at least outside Ottawa, if we must sit, let us limit ourselves strictly to urgent matters. Moreover, I believe this involves politicians' credibility, and also opposition and government capability. One thing is certain, there must be a problem of procedure—

Mr. Deputy Speaker: Order. I must stress to the hon. member that the time imparted to private members' business is limited. Other members did show an interest in the matter under debate, and I would invite the hon. member to come to the subject matter, as quickly as possible in order that other members may also bring their contribution.

Mr. Tessier: Thank you, Mr. Speaker. Coming to the motion, I would first concur with the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) who in my view eloquently stated the policies, as far as milk is concerned.

I believe the hon. member for Joliette (Mr. La Salle) had an excellent preamble. Unfortunately, I am afraid his conclusion was somewhat overstated, because I feel the government did not cheat producers far from that when they offered, at the beginning of April, $11.02 for their products.

I feel the present milk policy—

An hon. Member: No one got that.

Mr. Tessier: No one got that, but the government offered it. I also believe that the milk policy is appreciated in the whole when it is fully understood.

I would mention the very positive contribution the Agricultural Producers' Union and the producers' associations have been very regularly making to hon. members. I believe their representations add something, and the development of a milk policy for milk producers is a matter of team work. They came here, we heard them, we made our own representations, and finally comes the time for a decision and that decision must be based on a milk policy.

As for the statements made by the hon. member for Richmond (Mr. Beaudoin), they do not contain any coherent policy as far as I am concerned. In my opinion, they represent a caricature of I know not what kind of agriculture, but one thing is sure, they do not even represent a caricature of Canadian agriculture, being so distant from the realities our own type of agriculture.

I also feel it is appropriate to remind our friends on the other side that once again today they are giving us the opportunity to decry what they have always been decrying haphazardly as being political partisanship. They are always telling us: "We are nor offering you miracle solutions without any partisanship." But when we refuse to play the same game, then we are accused of being members of old parties, either "red" or "blue". There are and there will always be some who accept to play that game.

At this moment, I am presenting the problem fairly and squarely—

[*English*]

Mr. Alkenbrack: On a point of order, Mr. Speaker, does the hon. member think that, just because we oppose a penalty of 90 cents a hundred on industrial milk powder resulting from the inefficiency of the marketing programs of the government, we are playing politics?

[*Translation*]

Mr. Tessier: I am sorry, Mr. Speaker. I did not hear the beginning of the comments of the hon. member, but I would like to use my time to go on putting forward my views about the dairy policy.

I was just about to say that what we are suggesting to the Opposition is a serious administration, a sense of responsibility which Canadians can be proud of and also a sense of decision which, I agree, do not go with unapplicable political theories, nurtured illusions, lies, and half truths which cause Parliament to suffer from a lack of credibility on occasion and become a monumental joke.

I believe that there are accomplices of this joke, and they are not on this side of the House, but on the other side.

I am definitely opposed to the proposal of the hon. member for Richmond (Mr. Beaudoin), because it does not take into account the present agricultural policy. The principle he wants to defend seems well founded and valid, but I believe that if we want to talk about the true issue at this time, we must do so in terms of over-production and marketing.

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member. The hour appointed for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday at two o'clock.

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, July 28, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

PROPOSED REFERRAL OF FOURTH REPORT ON EXECUTIVE COMPENSATION TO HOUSE OF COMMONS PRIOR TO IMPLEMENTATION—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the provisions of Standing Order 43. As workers are still being urged to exercise restraint in their wage demands and in view of the difficulties we experience in trying to win increases for pensioners and veterans, I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That this House calls on the government not to implement any of the salary increases recommended in the fourth report of the Advisory Group on Executive Compensation in the Public Service, tabled by the Prime Minister on July 25, 1975, without referring any such proposed increases to the House of Commons before they are put into effect.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require the unanimous consent of the House for the presentation of this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—PROPOSED REMOVAL OF LEVY ON POWDERED MILK FOR EXPORT—MOTION UNDER S.O. 43

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

Since no really serious motive can justify the decision of the Minister of Agriculture (Mr. Whelan) to impose, effective July 1, an additional contribution of 45 cents on every hundredweight of industrial milk, which additional contribution would result in an immediate and important reduction of producers' revenues, and considering that all powdered milk surplusses could easily be sold or even given away to needy countries, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the Minister of Agriculture immediately rescind this legislation.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

HELSINKI CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE—REQUEST FOR STATEMENT ON GOVERNMENT VIEW OF RIGHT OF SELF-DETERMINATION

Mr. Claude Wagner (Saint-Hyacinthe): I have a number of questions I should like to direct to the Prime Minister, Mr. Speaker, but I want first of all, by way of an introduction, to wish him a pleasant and fruitful journey to Helsinki.

[*English*]

Therefore, Mr. Speaker, in light of the Prime Minister's upcoming trip to Helsinki, I ask him to advise the House if he believes in self-determination and if he will put forth at the conference on Security and Co-operation in Europe Canada's views on the matter of self-determination of nation states?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for his good wishes and can assure him that I will do my best to represent not only the views of Canada but those of the Atlantic alliance. As the hon. member knows, we have discussed in caucus all those problems of the NATO countries. We have reached a certain agreement which I think represents a significant development towards détente. As for the hon. member's question, I can assure him that I will be pleased to table in the House on my return the particulars of the agreement to be signed.

[*English*]

Mr. Wagner: A supplementary question, Mr. Speaker. In view of the Prime Minister's remarks, will the Prime Minister advise the House if he intends to make representations to Mr. Brezhnev, to allow self-determination in the Baltic states and in eastern Europe?

Mr. Trudeau: Mr. Speaker, hopefully, I shall be meeting Mr. Brezhnev but I doubt whether at this late date we shall be able to make significant changes in the agreement, as reached so far. I point out to the hon. member that the agreement provides for change, for peaceful change. It does accept, more or less, the boundaries which were agreed to by the United Nations, but does not freeze them for all time. It accepts the possibility of change through peaceful means.

Mr. Wagner: A supplementary question, Mr. Speaker. Since self-determination is an integral part of security, because there cannot be security so long as the people are not free, has the Prime Minister considered refusing to sign the conference treaty if no acceptable provisions for self-determination are included in it?

Mr. Trudeau: Mr. Speaker, no, I do not plan to refuse to sign the treaty which has been arrived at through many, many months and years of negotiation between ourselves and our NATO partners. I repeat: the point the hon. member is attempting to make I think is covered in the draft document, as it provides for peaceful change and not for the freezing of borders for all time.

● (1410)

POSSIBILITY OF DISCUSSING WITH RUSSIAN LEADERS ACTIONS OF RUSSIAN FISHING VESSELS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In his discussions with the Russian leader will the Prime Minister be discussing matters that are related to the closing of Canadian ports to Russian fishing vessels, and under what conditions and circumstances will these ports be reopened? Will the Prime Minister also be discussing questions covering the International Commission for the North Atlantic Fisheries and the importance to Canada, as well as to all signatory powers, of Russia's remaining within the agreed quotas?

Right Hon. P. E. Trudeau (Prime Minister): In a sense, Mr. Speaker, the questions are hypothetical, even though I recognize they are very important. I must point out to the House that there are a certain number of bilateral meetings which we are attempting to arrange. I do not know whether at this time I will have any great time with any particular leader. Well, I should not say that; there are some meetings that I know are confirmed, but in the case of Secretary Brezhnev I do not believe any meeting has been confirmed, and therefore it would be premature to talk about an agenda.

However, I would inform the hon. member that I did write to Premier Kosygin last week about this whole matter, and the thrust of my message to him was that we are taking these actions, as I believe we are entitled to do under ICNAF, with a view to ensuring that the fisheries will be there and will not disappear. I believe this is the point of view that the Russian fishermen themselves would be inclined to share with us. The way things are going now, the Minister of State (Fisheries) has made it clear that the species themselves are endangered. They are endangered for us, for our fishermen, and for the fishermen of other nations. That is the point of view that I will be conveying to him, that it is in the interests of humanity that we exercise discretion in the exploitation of these resources.

REQUEST FOR TABLING OF LETTER TO PREMIER KOSYGIN AND ASSURANCE EXTENSION OF JURISDICTION TO 200 MILES WILL BE DISCUSSED AT HELSINKI

Mr. Lloyd R. Crouse (South Shore): A further supplementary question, Mr. Speaker. Will the Prime Minister make available to the House the letters that he mentioned which will be exchanged between himself and the Russian leaders; and will he give an assurance that the 200 mile limit or economic zone will be discussed with someone during his visit to Helsinki?

Right Hon. P. E. Trudeau (Prime Minister): On the first point, Mr. Speaker, I will not give that assurance. This is correspondence that I had with Premier Kosygin and it would be improper for me to table it, at least without his permission. I have told the House the essence of my message in it. I have indicated a preparedness to have discussions with Secretary General Brezhnev in Helsinki if such an arrangement can be made.

I did raise the question of the 200 mile limit and indicated that in fact our actions now were predicated on the assumption that we were hoping that the 200 mile economic zone would eventually be recognized in international law, that we were acting as trustees, guardians and stewards of this resource so that there would be some for everybody—preferably first for Canadians, but that the resource itself would be there. It was in the context of international law evolving toward a 200 mile economic zone that we were taking our action.

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PUBLIC SERVICE

REASON FOR DELAY IN TABLING REPORT ON EXECUTIVE COMPENSATION—DATE OF IMPLEMENTATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister arising out of the report of the advisory group on executive compensation in the public service which the minister tabled in the House last Friday. May I ask him why it took four months for the government to table this report, having had it in its possession, I understand, some four months ago; and did it have anything to do with the discussions that the Minister of Finance was deeply embedded in at the time in terms of guidelines for salary and wage increases? Related to that, would the Prime Minister inform the House whether or not any action has been taken yet on the report, having in mind the recommendation that certain salary increases become effective on April 1 of this year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know where the hon. member got the figure of four months. I have not been acquainted with the report, and I do not believe the government has, for anything like that length of time. I must say that I took cognizance of the report within a matter of a few days before the budget was brought down by the Minister of

Finance. As a matter of fact, the chairman and the vice-chairman of the group, Mr. Lambert and Mr. De Grandpré, met with me on the very day the budget was being brought down and they were in the gallery on the night of the budget. I am not saying the report was not ready. It might have been in some other reaches of the civil service, but I did not see it until a few days before.

On the second part of the question, the government has not yet announced any decision on the recommendation. I must say that we have already considered it in cabinet and I hope we will be able to reach a decision very soon.

SUGGESTED LIMITATION OF PAY INCREASES FOR EXECUTIVES TO $2,400

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, with regard to my information about the four months, it came from the date of the report which is March 31 of this year, which would make it four months ago three days from now. In light of the guideline recommendations of the Minister of Finance in his concern about dealing with the problem of inflation, to the effect that no increases should exceed $2,400, will the Prime Minister assure the House that any increases the government might eventually make in the executive category will not exceed this amount?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as to the date itself, I gave an explanation. I might add, for the benefit of the hon. member, that the increases we have traditionally made date from April 1 and, therefore, regardless of the date the report is brought down, if there are any increases they presumably would be retroactive to April 1.

As to the size of the increases, while I take note of the recommendation of the hon. member, I would point out that it might be slightly unfair to impose a range of levels in civil service guidelines which have not been generally accepted by the public. Of course, we, as members of parliament, have limited our own increase to 7 per cent, but I must point out to the hon. member that this is not an example which has generally been followed and, therefore, I would not want to give any undertaking of this nature until we have studied the report in more detail and made a decision.

REQUEST FOR REFERRAL OF REPORT ON EXECUTIVE COMPENSATION TO COMMITTEE—GOVERNMENT ACTION TO CURTAIL GROWTH AT EXECUTIVE LEVEL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, if the Prime Minister will not stick to those guidelines I would ask whether he will follow the suggestion made by the hon. member for Winnipeg North Centre, that before action is taken he will bring the recommendations back to parliament? In relation to that, given the fact that the advisory committee said that "the rate of growth (in the public service executive category) has been excessive", being some 82 per cent since 1970 compared with a general growth rate in the public civil service of only 27 per cent, will the Prime Minister inform the House what steps the government is likely to take to curtail this significant growth at the executive level of the public service?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that the critique of the Lambert commission is justified. I would point out with some pride that the President of the Treasury Board anticipated by many, many months the conclusions drawn by the Lambert commission, and sometime last fall the President of the Treasury Board announced guidelines as to the rate of growth in the civil service. The figure for the first quarter of 1975 would indicate, indeed, that the rate of growth, which we thought was excessive, has been brought down to a very low figure. I do not have the figure at my fingertips, but the President of the Treasury Board could make it known to the hon. member. This is a justifiable criticism and we have already dealt with it.

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[*Translation*]

COMMUNICATIONS

CABLEVISION—INQUIRY AS TO DISCUSSIONS WITH QUEBEC OFFICIALS OR ORGANIZATIONS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Communications.

Could the minister tell us whether since the last meeting of the provincial ministers of communications, he had some dealings with the Quebec premier concerning the federal-provincial dispute on telecommunications generally and more especially on cablevision?

Hon. Gérard Pelletier (Minister of Communications): No, Mr. Speaker.

Mr. Matte: Mr. Speaker, I have a supplementary.

Would the minister tell the House whether he has indeed received representations from the Quebec Junior Chamber of Commerce in particular, and even from the Quebec Young Liberals' Association, that are against the minister's position?

Mr. Pelletier: Mr. Speaker, I have received copies of messages sent to the Prime Minister of Canada and the premier of Quebec, but to the best of my recollection, no communication was addressed to me personally.

* * *

[*English*]

EXTERNAL AFFAIRS

HELSINKI CONFERENCE—POSSIBILITY OF DISCUSSING CONSERVATION OF FISH STOCKS BEYOND THE 200-MILE LIMIT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question relates to the series of questions asked the Prime Minister about his visit. Since he has indicated he plans to raise with the Soviet leader the question of the 200-mile limit, could he tell us whether he will be touching on such matters as the need to reach agreement on positive fishing conservation measures beyond the 200-mile limit or the continental shelf in the area known as the high seas particularly in respect of endangered species such as our salmon and also whales.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can say that the example of salmon was given by me in my letter to Premier Kosygin. If it is possible for me to meet with him, I would certainly want to put the subject on the agenda. I should like to remind the House, however, that largely I believe thanks to Canadian initiatives and the very good work of our Department of External Affairs on this matter we did manage to put environmental questions into the treaty, particularly under basket three I think. This was one of the Canadian concerns, the need to preserve the environment and endangered species.

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● (1420)

AIR CANADA

ALLEGATION MINISTER REQUESTED MR. MENARD'S RESIGNATION—POSSIBILITY OF LEGISLATION GIVING GOVERNMENT MORE CONTROL OF CROWN CORPORATIONS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. In light of press reports indicating that the minister was about to raise a question of privilege last week arising from statements made by the Chairman of Air Canada, may I ask the minister whether he is now in a position to confirm or deny the reported statement made by Mr. Pratte that it was the minister who precipitated the resignation of Mr. Menard rather than the Chairman of Air Canada, and that in effect it is the minister who is calling the shots concerning who should stay and who should go in the corporation?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. I had a telephone conversation with Mr. Pratte on this transaction in which I indicated he should inquire and take necessary steps to protect the reputation of Air Canada, but I never said to him that he should fire Mr. X, Y, or Z.

Mr. MacKay: Mr. Speaker, would the minister perhaps take this opportunity to clarify what he feels should be his position in regard to Section 5 of the Air Canada Act which states that the affairs of Air Canada should be under the management of a nine-member board of directions, and is the minister considering legislative amendments to grant more responsibility and control over Crown corporations as part of his new transportation policy?

Mr. Marchand (Langelier): Mr. Speaker, I know there is a new study going on about the relationship of Crown corporations to the government, generally speaking, and probably it includes Air Canada.

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EXTERNAL AFFAIRS

DATE ON WHICH ATOMIC ENERGY OF CANADA ORDERED TO SUSPEND WORK ON CANDU REACTOR IN ARGENTINA

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Prime Minister. On July 23, in response to a question from the Leader of the Opposition, the Prime Minister undertook to ascertain the date on which AECL was ordered by the government to suspend continuation of work on the CANDU installation in Argentina and to table the directives to AECL. In view of reports in the press that work on the project has been continuing since August of 1974 would the Prime Minister be in a position today to supply that information to the House?

[Mr. Munro (Esquimalt-Saanich).]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if I might reply, the directives are from the Atomic Energy Control Board to AECL refusing the permission to export from Canada integral components for the Canadian part of the Cordoba project in Argentina. AECL has taken the position, I believe quite rightly, that it has a contract to perform and as one of the spokesmen has said it should be the government that should interfere with the contract if it is to be done for policy reasons. The government has done so by asking the Atomic Energy Control Board to withhold permission from AECL to export any component parts from Canada for the Cordoba project.

I would remind hon. members that this, of course, is a partnership with an Italian company, that the basic construction has been done by an Argentine company and the Italian company is continuing with the non-nuclear part, so the government of Canada cannot give instructions to the Italian company operating in that country. It can, however, and has, refused permission to AECL to export parts from Canada until the additional safeguard arrangements are made.

SALE OF CANDU REACTOR TO ARGENTINA—POSSIBILITY OF FINANCIAL COMMITMENTS BY CANADA

Miss Flora MacDonald (Kingston and the Islands): I have a supplementary question for the Minister of Energy, Mines and Resources. Could he tell the House if there has been any financial undertaking by the government of Canada with regard to this project during the period since August, 1974?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the Export Development Corporation entered into a contract for the financing of the nuclear portion of the Cordoba project. The terms of that contract have not yet been met, and for that reason there have been no advances under the EDC contract. There will be no advances under that contract until the safeguard requirements posed by Canada have been met.

HELSINKI CONFERENCE—SUGGESTION PRIME MINISTER ASK FOR IMPROVED SYSTEM FOR REPORTING VIOLATIONS OF FISHING QUOTAS—POSSIBILITY OF INCREASED SURVEILLANCE

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the significance of his presence at the conference and the topic of the Atlantic fisheries and the 200 mile limit being considered, and since the foreign fishing fleets in the Atlantic waters have far exceeded the size necessary to catch the existing quotas—and since these fleets

are fishing efficiently, effectively and continuously it is estimated that the quotas are exceeded by as little as 40 per cent and as much as 200 per cent—would the Prime Minister consider, as part of his topic for discussion, the possibility of asking that there be a reporting system which would be irrefutable in respect of the amount of fish caught by foreign fleets off our coast? At present there is no confidence in the reporting system.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am surprised to hear the hon. member make that statement. If there were no confidence, we would not have taken the action we did with regard to the Russians. We obviously have some confidence. We sealed the ports.

An hon. Member: You acted too late.

Mr. Trudeau: You cannot have it both ways. On the one hand, one hon. member says the reporting system is not good and, on the other hand, another hon. member says we acted too late on the basis of a reporting system which is no good. We are attempting to make representations and we have been making them in a very forceful way by foreclosures. We will continue to do so.

Some hon. Members: Hear, hear!

Mr. McCain: I am somewhat confused by the Prime Minister's answer to my last question. I will have to read it to see what he really said.

Since it has been felt that the foreign fleets are coming within Canadian waters recently, will the Prime Minister assure us that there will be a surveillance strength put in place to conduct inspection both of the location of the fishing and the amount of fish caught if the proper catch allocations cannot be negotiated in the usual amicable way?

Mr. Trudeau: Mr. Speaker, the question begs an answer which I am not sure is correct. When the hon. member speaks about fishing in Canadian waters I do not know whether he is referring to the 12 mile limit, which defines Canadian waters now, or to the 200 mile limit, which is something we are trying to bring into international law.

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NORTHERN AFFAIRS

CHURCHILL RIVER DIVERSION—PROPOSED NEGOTIATION WITH MANITOBA AND LEGISLATION TO PROVIDE COMPENSATION FOR CITIZENS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. As negotiations have completely broken down between the federal government and the Manitoba government and the Northern Flood Committee with regard to the Churchill river diversion, and as the seven year delay in reaching an environmental and compensation decision will cost the Manitoba taxpayers untold millions of dollars in additional costs, what action will the minister now take? Will he resume negotiations or will the federal government continue with its plans to take Manitoba to court?

● (1430)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not accept the contention that the negotiations have completely broken down. I am looking forward to a response from the premier of Manitoba to the letter I gave him covering the two areas: the question of compensation, which was raised by the hon. member, and the extent of the flooding which is anticipated.

Mr. McKenzie: As the Manitoba government has provided no firm commitments in regard to compensation for the citizens of northern Manitoba, will the minister insist that the Manitoba government prepare such legislation immediately? Bill 10, which was introduced in 1969 by the previous Conservative government, could be used as an excellent set of guidelines with which to draft the legislation.

Mr. Buchanan: Mr. Speaker, this is a proposal I will be happy to pursue with the government of Manitoba.

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CONSUMER AFFAIRS

SUGGESTED PUBLICIZING OF EXTENDED AUTOMOBILE WARRANTIES—GOVERNMENT POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs, but since he is not here I will ask the acting minister, who happens to be the Postmaster General. In view of the evasions of the Minister of Consumer and Corporate Affairs with respect to questions I asked in this House on July 23 regarding the existence of extended warranties placed on certain models of automobiles by automobile companies and his obstinate refusal to make consumers aware of their rights, I wish to ask if the minister is now prepared to publicize through Box 99 all extended warranties which have existed, now exist or may be found to exist in the future.

Hon. Bryce Mackasey (Acting Minister of Consumer and Corporate Affairs): Mr. Speaker, the Minister of Consumer and Corporate Affairs asked me to apologize for his absence today due to illness in his family, and to inform the House that he will be back tomorrow, and at that time he will answer the question.

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[*Translation*]

AGRICULTURE

DAIRYING—POSSIBILITY OF REMOVAL OF LEVY ON POWDERED MILK FOR EXPORT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

The minister must have received innumerable letters of protest against the decision to increase the 45-cent export tax on milk powder. Could he say whether he took them seriously and intends to give a favourable answer to farm-

ers, mainly dairy producers who expressed their opinion on that matter?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have nothing to add to what I said last week.

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PUBLIC SERVICE

PROPOSED COMMITTEE STUDY OF LAMBERT REPORT ON EXECUTIVE COMPENSATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to ask a question of the hon. member for Nipissing in his capacity as co-chairman of the Joint Committee on Employer-Employee Relations in the Public Service of Canada. Would the chairman undertake to discuss with the committee the proposition that perhaps the committee might profit by studying the Lambert Report, which has just been circulated among members of parliament, with respect to executive compensation in the public service, particularly having regard to its recommendations on other terms of employment?

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I thank the hon. member for drawing the report to my attention. I would be pleased to consider his proposal.

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NATIONAL DEFENCE

DATE OF DECISION ON SELECTION OF LONG RANGE PATROL AIRCRAFT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister, partially because of his trip abroad, and also because of the fact that the Minister of National Defence is not in the House today. Since August 1 is the deadline of which everyone is aware in terms of the time for a decision the government has to make on the long range patrol aircraft, which is, incidentally, related to many of these questions about patrols off our coast. Has the cabinet made a decision on the LRPA, or is it in a position to make one, before August 1 and while the Prime Minister is away?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know the Minister of National Defence issued a press release on this matter. If it has not been released, I believe it will be released any moment now. The cabinet did consider the matter, and we did narrow down the options considerably. We explained that we were asking for a further delay because the industrial fall-outs and consequences of the decision have not yet been clearly established. As a matter of fact, until the night before cabinet was meeting on this last week, we were still receiving representations from some of the parties. Therefore, the matter of the LRPA is still in abeyance and will be studied in the weeks and months to come.

Mr. Nowlan: Perhaps we had better read the press release of the Minister of National Defence, but since it has taken seven years and involved four ministers of national defence to come to a decision, do I understand that there is a further time extension beyond August 1 by which time the government will make a choice between one of the two main contractors, either Lockheed or Boeing? Is it narrowed down to the two?

Mr. Trudeau: I repeat that until the eve of the cabinet meeting last week we were receiving new variations of propositions regarding the industrial fall-out aspect in Canada, and it will take us a little while to consider these.

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AGRICULTURE

LEVY ON POWDERED MILK FOR EXPORT—MINISTER'S POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Agriculture, and it follows a question I asked on July 4 and a number of subsequent questions regarding the price of powdered skim milk. The minister at that time said that the producers themselves accept the levy system for the products they are exporting. In light of the many letters I know the minister has received since that answer, has the minister changed his mind with regard to the imposition of the additional levy on the producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, that is the same question which was asked previously by another hon. member, and I give the same answer to this hon. member, which is that I answered the question last week.

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ENERGY

FUNDY TIDAL POWER PROJECT—REQUEST FOR REPORT ON PROGRESS OF FEDERAL-PROVINCIAL REVIEW COMMITTEE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Can the minister inform the House as to the status and progress of the federal-provincial committee on the review of Fundy tidal power? Can he indicate if that committee is progressing with its work and if they anticipate they will be able to complete that work within the deadline anticipated when the earlier report was brought down? Is it the intention of the committee to establish a central office somewhere in the Maritime province to move forward with the work they anticipate they will have to do?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, dealing with the last point first, the last report I received from my officials in this regard was that it was not anticipated that at this point a central office would be needed, although that will be very much borne in mind, along with the number of undoubtedly salubrious sites suggested by the hon. member. Regarding the greater detail in the question I will undertake to

inquire today and report on the progress to the hon. member tomorrow.

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CANADA LABOUR RELATIONS COUNCIL

VIEW OF COUNCIL ON SINGLE SECTOR BARGAINING FOR PUBLIC SERVICE—REQUEST FOR REPORT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of Labour. Because of the fact that the first meetings by the Canada Labour Relations Council are now over, and in view of the concern of the minister about the existing fragmentation of union power within the public sectors of the economy and his objective to reduce the number of bargaining points within these sectors, can the minister indicate whether the concept of single sector bargaining was discussed at these meetings? What was the general consensus of such a concept, and when can Canadians expect a reduction of bargaining points within the public sector to take place in order to reduce the number of strikes threatening in the entire economy?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, in his question the hon. member has covered many areas. I will say yes, the question of reducing the number of bargaining points was discussed; and yes, the question of industry wide bargaining was discussed. The council decided that both were perhaps desirable objectives, and it agreed to form panels of management—or the business side—labour and representatives from government. They would meet over the course of the next two or three months and again in October, hopefully with some definite recommendations along these lines. In view of the summer and their readiness to meet right away and come up with these recommendations, I think that is moving quite quickly.

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PENITENTIARIES

BRITISH COLUMBIA—GOVERNMENT POSITION ON DEMAND FOR UNION FOR CONVICTS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, while on the subject of walkouts I would like to put my supplementary question to the Solicitor General. In view of the work stoppages by striking prisoners at the British Columbia penitentiary, who are demanding the acceptance of unions for convicts, can the minister advise this House what steps he is taking or has taken to bring this absurd situation to an end in order to prevent other similar institutions from following this unfortunate and incredible precedent?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the inmates at B.C. Penitentiary sent a message to the Commissioner of Penitentiaries asking that he go out to B.C. to discuss with them the possibility of forming a union for inmates. The Commissioner of Penitentiaries sent back a message that this was completely unacceptable and that he would not be willing to discuss it with them in B.C. or anywhere else in Canada.

● (1440)

Mr. Jelinek: A supplementary question. In view of the fact that the sitdown strike is continuing and in view of the government's inaction, can it be surmised that the government intends to follow the course that these criminals are suggesting and make it government policy to allow convicts the right to strike that many honest Canadians do not share?

Mr. Allmand: Mr. Speaker, I think it was fairly clear from my answer that this is completely unacceptable. I might say the inmates are all in their cells.

An hon. Member: Thank God!

Mr. Allmand: They have not left their cells since this started. With respect to working, I might point out that not all these inmates are working—at any time—and the work is not the type of work that is done on the outside.

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EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO ARGENTINA—REASON FOR ALLOWING ATOMIC ENERGY OF CANADA TO CONTINUE WORK ON CONSTRUCTION OF REACTOR

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Last week I put some questions to the Secretary of State for External Affairs and he suggested they should be directed to the Minister of Energy, Mines and Resources.

When did the minister first know that Atomic Energy of Canada Limited, a Canadian government agency, had undertaken and was proceeding with the task of supervising the building of a nuclear reactor in Argentina? Did the minister or the Canadian government authorize AECL to undertake this task and in view of the fact that the government was negotiating, as I understand it—negotiations have not been completed—was negotiating for more satisfactory safeguards, why did the minister or the government not require AECL to stop making this particular contribution to the building of a reactor in Argentina?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, no doubt the hon. gentleman's questions last week were motivated by a misleading report in the Toronto *Star*. The report suggested that AECL had carried out the negotiation of its contract in Argentina without cabinet consent and, it also suggested, without the participation of the Department of External Affairs. Both assertions are mistaken. AECL at each stage in the proceedings, from the cabinet authorization of May 23, 1972, to submitting a proposal to tender which had been invited by the Argentine utility, up to and including the confirmation of the contract on December 20, 1973, acted with authority from cabinet, and the Department of External Affairs both here in Ottawa and through the Canadian Embassy in Buenos Aires had been involved in the negotiation of the contract.

The hon. gentleman suggested that the contract was entered into at a time when the government was negotiating additional safeguards. I would remind him that the contract was executed on December 19, 1973, that the government embarked upon a further re-examination of safeguards after the Indian decision or Indian action of May, 1974 to set off a bomb. The government thereafter stipulated there should be tighter safeguards, on December 20, 1974. So the contract was already executed and under way at the time additional safeguards were put in.

I would also point out, as I did to the hon. member for Kingston and the Islands, that AECL has an obligation to perform under its contract. In my view, and in the view of the government, AECL should meet its obligation but the government of Canada, acting through its agency, the Atomic Energy Control Board will withhold continuation of the contract, in so far as Canadian component parts are concerned, until they complete the safeguard agreement.

Mr. Nowlan: That is what happened to the gas supply—no wonder we are short on gas!

SALE OF CANDU REACTOR TO SOUTH KOREA—ALLEGED STATEMENT BY ENERGY MINISTER SAFEGUARDS CONDITIONS MET—REQUEST FOR TABLING OF SAFEGUARDS

Mr. Andrew Brewin (Greenwood): A supplementary question. Mr. Speaker, I am again quoting from a Toronto paper but not the one the minister mentioned. The *Globe and Mail* of last Wednesday quoted the minister as saying that apparently South Korea had met all Canada's conditions on safeguards on the sale of a Canadian reactor. Is this so, and if it is, will the minister table any documents setting out such conditions?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the actual negotiations of the safeguards arrangement has been done by officials of my colleague, the Secretary of State for External Affairs. He might be in a position to respond.

Mr. Brewin: I do not know whether he heard my question.

An hon. Member: He was not listening.

Mr. MacEachen: Yes, I was listening very attentively.

Mr. Brewin: The Minister of Energy, Mines and Resources is reported to have said that all conditions have apparently been met—is this correct? If it is correct, when will we be able to see these conditions? When will they be tabled?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the final stages of negotiation are still under way. We expect it will be possible to conclude the safeguards arrangements with the Republic of Korea.

Mr. Brewin: And table them?

[Mr. Macdonald (Rosedale).]

DIVORCE ACT

POSSIBILITY OF AMENDMENT TO PROVIDE FOR MARRIAGE BREAKDOWN AS A CAUSE—SUGGESTED COMMITTEE STUDY—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question for the Minister of Justice is prompted by the recent report from the Law Reform Commission. Is the minister prepared to bring in legislation affecting the Divorce Act to provide for marriage breakdown as the basic cause for dissolution with consequential relief as to maintenance? This course was advocated by the opposition some time ago and rejected by the Prime Minister who as minister of justice, rigidly opposed this suggestion. Has the Prime Minister become sufficiently liberal now to go along with tis proposal?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I shall try to find my way through some of those rather obviously unfounded allegations to what may have been the question. I should like to assure the hon. gentleman that this government continues its very alert stance in attempting to move the law forward to put people in this country in the best possible position. We will be looking at the two reports on this subject from the Law Reform Commission, as well as the other very important reports coming from that commission. We look forward to the appropriate development of legislation therefrom.

Mr. Baldwin: Mr. Speaker, could I pin the minister down, in view of that nebulous reply, and ask if he is prepared to recommend a joint committee of this House and the other place to consider this issue, in light of the fact that the only solid progress in the last half century in divorce reform came out of a report of a similar committee eight years ago and since then the law has stood still?

Mr. Lang: Mr. Speaker, I think the hon. member's earlier question really gainsaid that remark, since the creation of the Law Reform Commission and the encouragement to have a look at divorce and family law is an example of a substantial advance. I have no doubt the appropriate course will be for this government to have a thorough examination of the proposals put before it and then to put legislation before the House.

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ENERGY

ALLEGED HIGH RADIOACTIVE LEVELS OF WASTE DUMPS OF ELDORADO NUCLEAR AT PORT HOPE—REQUEST FOR PUBLICATION OF REPORT—GOVERNMENT ACTION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact that well over a month ago a series of apparently substantiated allegations were made about the waste dumps of the Crown corporation Eldorado Nuclear at Port Hope, and in view of the fact that the minister has had a report respecting the veracity of those allegation for over three weeks, does the minister think he is decreasing the concern and worry of residents in the Port Hope area by keeping this report

secret? When is he going to publish the report and what is he going to do about it?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will be glad to make it public as soon as possible. I will have to see if the translation is completed.

Mr. Lawrence: A supplementary question. What is the minister going to do about the allegations of high radioactive levels and high toxicity levels in those dumps in the area around Port Hope?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could remind the hon. member of the briefing I gave him privately and the response made publicly in this House that the sites had been examined. In some cases, they will have increasing security and in other cases, in conjunction with the Department of the Environment and the province of Ontario, there will be further monitoring. Although there may not be an immediate risk, this will make certain the situation is kept under close control.

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INFORMATION

POSSIBLE COST-BENEFIT ANALYSIS OF PRACTICE OF MAILING COPIES OF MINISTERS' SPEECHES AND COMMUNIQUÉS TO RADIO STATIONS

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Supply and Services as a result of a query from a constituent and I am sure it can be related to all constituencies in Canada. In order to cut back on government expenditure, as suggested by the Minister of Finance in his last budget, and considering the tremendous increase in the cost of paper and labour, has the government undertaken a cost-benefit analysis of sending speeches and communiqués from the offices of ministers to civic officials, radio stations, etc. across Canada, when such mail cannot reach points in Alberta earlier than three to four days and as late as 15 days from date of release? I have an example of that in my hand.

* * *

● (1450)

FINANCE

DATE OF INTRODUCTION OF LEGISLATION TO INCREASE RETURN ON ANNUITIES—REQUEST FOR DETAILS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Finance. The budget speech announced that legislation would be introduced to increase the rate of return on existing government of Canada annuities. Can the minister inform the House when the legislation will be introduced and will it be similar to the ten cent tax on gas, that is effective June 23, and can he tell the House how much the increase will be?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the House leader replied to a similar question to the hon. member for Winnipeg North Centre last week. Legislation is required and will be introduced early after the resumption of the present session of parliament in the fall. At the moment, the Department of Finance and other departments, including Manpower and Immigration, Revenue and Labour, are working out the details of what the escalation for interest and capital funding should be.

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AGRICULTURE

INDUSTRIAL MILK—REQUEST FOR RECONSIDERATION OF LEVY

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have a question for the Minister of Agriculture. It relates and may be supplementary to the question asked by the hon. member for Hastings, which the minister chose not to answer. I will try to word the question in a way that will merit an answer. With regard to the 100 per cent increase in the levy on industrial milk, does the minister have any plans to help relieve the pressure on the industrial milk producer who is in debt to the bank for considerable sums of money, thus threatening his livelihood on the farm? I ask that with regard to the short-term view. In a long-term view, when will the minister be developing a policy to help stabilize the return on industrial milk over the long run?

Mr. Speaker: Order, please. Twice the minister has been asked that and twice he has said he has nothing to add.

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PETRO-CANADA

INQUIRY WHETHER MR. JACK AUSTIN HAS BEEN APPOINTED TO A SENIOR POSITION IN CORPORATION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Can the minister confirm or deny press speculation that Mr. Jack Austin, currently of the Prime Minister's Office, has received a senior appointment with Petro-Canada? If the answer is in the affirmative, will the minister advise how this can be reconciled with the act that requires senior appointments to be made by the board of directors?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, no decisions have yet been made on senior personnel for Petro-Canada.

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COMMUNICATIONS

ALLEGED MONITORING OF TELEPHONE CONVERSATIONS BY RUSSIANS—REQUEST FOR REPORT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Communications of which I have given him notice. I understand the minister has conducted an investigation into the disclosure in last Wednesday's Toronto *Star* that

Canadian long distance telephone conversations are being monitored by the Russians. Can the minister indicate the result of that investigation? Also, can the minister advise specifically whether he has been able to determine whether the Russians have ground monitoring stations, such as those allegedly contained in the United States in Russian consulates and the Russian embassy in Washington?

[*Translation*]

Mr. Gérard Pelletier (Minister of Communications): Mr. Speaker, I am unable to answer the second part of the hon. member's question on which I have no information. As for the first part, the government has been aware for a long time, much before the publication of the articles he alluded to, that telephone communications can be monitored because hertzian beams or microwave networks are used on some transmission lines. Because of that danger, of which the government is aware, recommendations are made to all those who have to transmit or receive so-called "classified" information against the use of the telephone to that end. When it is absolutely necessary to use the telephone, as it is in some cases, especially to convey information pertaining to our defence agreements with our allies, very costly equipment is used to code the information at one end and decode it at the other. The Department of Communications is also very much aware of the danger and always requires that the microwave networks are located in such geographical areas as can best be protected against that type of danger. However, I must say to the hon. member that, in view of the present state of science, we will have to wait for the development of communications by optical fiber, or by laser beam, to do away completely with the danger to which he alludes.

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[*English*]

EXTERNAL AFFAIRS

ALLEGED MONITORING OF TELEPHONE CONVERSATIONS BY RUSSIANS—GOVERNMENT ACTION TO PROTECT CITIZENS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to direct my supplementary to the Secretary of State for External Affairs. The Rockefeller commission in the United States which looked into the problem of Russian monitoring of long distance telephone calls by private citizens concluded, and I quote:

> This raises the real spectre that selected American users of telephones are potentially subject to blackmail that can seriously affect their actions, or even lead in some cases to recruitment as espionage agents.

What action is being taken by the government to ensure that telephone conversations are not being monitored by the Russians and what protection is there to individual citizens which will ensure they are not blackmailed by the Russians as a result of their long distance telephone calls?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the comments that the hon. members refers to are based on speculative reports and speculative news stories. I do not propose to respond on this subject on the basis of speculation.

[Mr. Beatty.]

AGRICULTURE

UNITED STATES QUOTAS ON BEEF—GOVERNMENT POLICY FOLLOWING EXPIRY OF QUOTAS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Agriculture. Since negotiations commenced in Washington more than a week ago, and since we will soon be facing the anniversary of the global quotas affecting exports of Canadian beef, what will the federal policy be with regard to support prices or border quotas for Canadian beef after August 11 when the present quotas expire?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I said I would announce before August 12 what the decision or position will be by August 12, and I will do that.

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CANADIAN PACIFIC

REDUCTION OF TRAIN CREWS—GOVERNMENT ACTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Transport. Will the minister order Canadian Pacific Railways to stop the current practice of reducing main line and yard railway crews by one brakeman, especially in light of the fact that Mr. Justice Hall has not yet reported to the government on the size of train crews?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire about those facts and give the hon. member an answer.

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EXTERNAL AFFAIRS

IMPRISONMENT OF MISSIONARIES NORMAN AND JOAN JOHNSON IN VIET NAM—REQUEST FOR REPORT ON EFFORTS TO SECURE RELEASE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs with regard to the case of Canadian missionaries Norman and Joan Johnson. Can the minister report any progress in securing the release of these Canadian missionaries from Viet Nam?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I advised the hon. member just a few days ago that I had taken additional action in the way of once again drawing this case to the attention of the PRG authorities. I have no information to depart today.

ADMINISTRATION OF JUSTICE

POSSIBILITY OF LAYING CHARGES AS RESULT OF SALE OF TAINTED MEAT IN QUEBEC—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the Minister of Justice. It arises out of the possibility of prosecutions arising out of the sale of tainted meat in Quebec. Has the minister had an opportunity to investigate those violations of federal statutes, particularly the Food and Drugs Act, arising from the activity of the Quebec policy inquiry? If not, when will the minister give his full consideration to a matter which involves the health and well-being of an entire province? If so, is the minister now prepared to lay charges under the Food and Drugs Act?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the various facts to which the hon. member refers are the responsibility of provincial as well as federal authorities. It is customary in these circumstances to complete investigations before any charges are laid and not discuss the cases at large in advance of that.

Mr. McCain: Mr. Speaker, I rise on a question of privilege. If my questions a little earlier were as oblique as the Prime Minister (Mr. Trudeau) would seem to indicate, I would like to say for clarification that under the cover of fog and darkness, it is believed that foreign fishing fleets have fished this summer with impunity within an area from which they are precluded by existing international agreement. It was my hope that the Prime Minister would seek from foreign fishing fleets an assurance of a behaviour that would in all respects assure an adherence to the letter of existing agreements. At the same time my question implied that it is to be hoped he would assume a firm posture with respect to Canada's position and the rights of coastal states to the long-term management of the resources of the continental shelf.

● (1500)

Mr. Speaker: Order, please. The hon. member is expressing dissatisfaction with an answer he received in the question period. That is scarcely a point of order. Perhaps the hon. member intended to ask for clarification when expressing dissatisfaction.

Mr. Trudeau: Mr. Speaker, on the same point of order, I made it perfectly clear that we took this action because we have evidence of overfishing by some foreign fleets. That was made perfectly clear to the House, and I do not see why the hon. member should cast doubt on that. As a result of that action the ports have been closed, and we took that action as a result of surveillance. I am glad to have the support of the hon. member for the government's action, but do not think he is justified in trying to reflect on things we have already done.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the following questions will be answered today: 1,785, 2,191, 2,317, 2,343, 2,437, 2,439, 2,521 (Corrected), 2,567, 2,569, 2,620, 2,689, 2,718, 2,791, 2,793 and 2,967.

Mr. Speaker, if question No. 1,753 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,892?

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

[*Text*]

FREELANCE SPEECH WRITERS

Question No. 1,785—**Mr. Clark (Rocky Mountain):**

1. During the period March 31, 1973 to February 28, 1975, on how many occasions did a representative of the government employ or otherwise arrange for the services of a freelance or contract speech writer to write speeches for a Deputy Minister or an Assistant Deputy Minister?

2. In each case (a) who was the Deputy Minister or Assistant Deputy Minister (b) what was the fee (c) what was the occasion of the speech (d) who was the freelance or contract writer?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of State for Urban Affairs as follows: 1. Once.

2. (a) J. W. MacNeill, Secretary; (b) $225; (c) Speech to United Nations Preparatory Committee meeting re Habitat 76; (d) James Robb. Nil returns have been submitted by other departments and agencies.

ADVERTISING AGENCIES

Question No. 2,191—**Mr. Neil:**

What were the names of all advertising agencies in Saskatchewan used by the government or any Crown corporation in each year 1970 to 1974 inclusive and, what were the amounts paid to each?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Regional Economic Expansion and the Canadian Broadcasting Corporation as follows: The only advertising agency in Saskatchewan used by the Department of Regional Economic Expansion during the years 1970 to 1974 inclusive was Foster Advertising Co., Ltd., of Regina. The agency was used to meet the advertising requirements of the Prairie Farm Rehabilitation Administration, a DREE Agency, for the three prairie provinces. Dates and amounts are as follows: 1970-71, $6,742; 1971-72, $8,360; 1972-73, $5,809; 1973-74, $47,862.

Canadian Broadcasting Corporation: 1970, Harvey Johnson, Regina Branch; 1971, Harvey Johnson, Regina Branch; 1972, Dunsky Advertising Ltd., Regina Branch; 1973, Dunsky Advertising Ltd., Regina Branch; 1974, Dunsky Advertising Ltd., Regina Branch. With regard to the amounts paid to advertising agencies, it has not been customary to require the CBC to divulge such details of its

internal management and administration. Nil returns have been submitted by other departments, agencies and Crown Corporations.

MR. PITFIELD'S TRIPS WITH THE PRIME MINISTER

Question No. 2,317—**Mr. Cossitt:**

With reference to the answer to Question No. 1,798 to the effect that it is government policy that the Prime Minister may travel with an official or officials such as Mr. Michael Pitfield to give him administrative support and in order to provide for possible emergencies (a) what administrative support did Mr. Pitfield give the Prime Minister on the eight specifically named trips to foreign places in the capacity of liaison officer as listed in the answer to Question No. 447 (b) did any emergencies occur on any of these trips where Mr. Pitfield's services were required and, if so, what is the nature of such emergencies and the dates on which they occurred?

Right Hon. P. E. Trudeau (Prime Minister): (a) Analysis of correspondence, drafting of replies, review and discussion of problems, planning meetings and other duties such as trip arrangements, arrangements with national and local officials in relation to security and protocol, which it is customary for public servants to render to their minister. (b) On numerous occasions, experience has demonstrated the importance of the Prime Minister being accompanied while abroad by a senior official who can maintain liaison with Canadian and foreign officials and make arrangements to keep the Prime Minister fully briefed on situations requiring his attention. One example of a circumstance requiring the continuing attention of the Prime Minister and the availability to him of senior staff support was the potentially perilous chain of events that took place in Czechoslovakia in August, 1968. Another example was the unexepected declaration by the President of the United States in August, 1971 of new economic measures of profound consequence to Canada. On both these occasions it was necessary to make emergency arrangements to brief the Prime Minister, and for his return to Canada.

EXTINGUISHING LIGHTS IN GOVERNMENT BUILDINGS

Question No. 2,343—**Mr. Beatty:**

1. For each building housing government offices in the National Capital Region, as of April 18, 1975, was the conservation policy recommended by the Minister of Energy, Mines and Resources of turning off lights in offices where occupants had left for the night followed and, in each case, if not, for what reason?

2. What is the cost to the taxpayer of the large newspaper advertisements by the Department of Energy, Mines and Resources which shows one of the Department's buildings at right with the lights extinguished in empty offices and exhorts the private sector to follow the same policy?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the departments of Public Works and Energy, Mines and Resources as follows: 1. Lights are turned off in all National Capital area buildings housing government offices, where occupants have left for the night, with the following exceptions: (a) buildings in which cleaning services and/or security sweeps are required to be carried out after occupants vacate, in which case lights are turned off by security staff when all operations have concluded, or after operations have concluded in separate areas of the building, when switching arrangements permit. The following buildings are included in this category: Canadian Government Printing Bureau; External Affairs Building; Justice Annex; National Library and Archives; Supreme Court; Temporary Buildings No. 2 and 4; Centre Block; Confederation Building; East Block; West Block; East Memorial Building; West Memorial Building; Lampman Building; DND Headquarters; A, B and C Buildings Cartier Square; Cartier Square Militia Building, Kildare House; Laurier House; Government Conference Centre; National Arts Centre; Postal Station E; Victoria Museum; Hunter Building; Jackson Building; National Police Information Centre; National Police Services Building; RCMP Headquarters; Sir Charles Tupper Building; National Revenue Taxation Hdqtrs and Data Centre; Sir Alexander Campbell Building; Sir Leonard Tilley Building; GOCB No. 1, Tunneys Pasture; R.H. Coates Tower. (b) buildings having greenhouse operations, when lights are kept on in most of the buildings at night during the fall, winter, and spring, when heat and light is required for experimental purposes. The following buildings are included in this category: Building Nos.: 22, 140, 142, 12, 73, 75, 110, 50 and 21; Central Experimental Farm. (c) buildings in which occupants require at least partial lighting during unoccupied hours, for security reasons. The following buildings are included in this category: Lorne Building, Hangars 66, 67 and 68, Rockliffe. (d) buildings in which the Crown occupies leased space, and building owners have elected to leave lights on after the occupants have left, and cleaning operations have been concluded: Nil.

2. $96,767.07.

IMMIGRATION RULES AND REGULATIONS

Question No. 2,437—**Mr. Jones:**

1. What diseases are considered contagious under immigration regulations?

2. (a) What body or individual is given the authority, duty and responsibility to interpret immigration rules and regulations (b) who decides, in the final analysis, which diseases are contagious?

3. (a) What are the immunization requirements for aliens (b) who enforces such requirements?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Manpower and Immigration and National Health and Welfare as follows: 1. There is no list of diseases considered contagious in Immigration legislation. There is however, sufficient protection to the public health of Canada in section 5 of the Immigration Act which prohibits the admission of persons afflicted with any contagious or infectious disease or with any disease that may become dangerous to the public health.

2. (a) The Minister of Manpower and Immigration or Officials empowered by the Immigration Act and regulations or by ministerially delegated authority interpret the Immigration Act and regulations guided when necessary by advisors in the employ of the Minister of Health and Welfare, the Solicitor General, etc. (b) A medical officer of the Department of National Health and Welfare.

3. (a) The immunization requirement for any person arriving in Canada from a place outside Canada, that is currently infected with the disease, is vaccination against

smallpox within the three years immediately preceding arrival in Canada or vaccination within the 14 days immediately following his arrival in Canada. (b) Enforcement of this requirement is by the Department of National Health and Welfare under the Quarantine Act R.S., cc. 33 (1st Supp.) and the Quarantine Regulations established under P.C. 1971-2818.

INVESTIGATION INTO BOAT FIRE AT CHAFFEY'S LOCKS—RIDEAU CANAL

Question No. 2,439—**Mr. Cossitt:**

1. Did the Dominion Fire Commissioner's office conduct an investigation into a boat fire occurring on July 14, 1974 at the approaches to Chaffey's Locks on the Rideau Canal (a) was the subsequent report classified "restricted and privileged" and, if so, for what reason (b) was the report submitted by the Dominion Fire Commissioner, R. A. Switzer, to D. H. A. Farmer of Parks Canada by letter dated October 2, 1974 (c) was the report made public and, if not, for what reason (d) will it be made public and, if so, on what date?

2. Did the report among other things conclude: Had this explosion and fire occurred during locking operations especially at low level, it is my firm opinion that the occupants of this vessel would have lost their lives?

3. Did the report make four specific recommendations in regard to all canal locks under Parks Canada jurisdiction and (a) if so, what were they (b) in each case, has the recommendation been carried out and, if not, for what reason (c) when will each such recommendation be implemented?

4. Did the report include with reference to all canals under Parks Canada this statement: "a general review of a fire during a locking procedure indicates that a major loss of life can be expected" (a) what steps has the government taken to limit the chances of such an incident (b) if no steps have been taken (i) for what reasons (ii) on what date will something be done?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Public Works and Indian Affairs and Northern Development as follows: 1. Yes. (a) Yes, this is the standard procedure for all investigations carried out by the office of the Dominion Fire Commissioner. (b) Yes. (c) No. As the report is classified "Restricted and Privileged" the decision to release all or any of the contents rests with the agency responsible for the administration of the facilities under investigation. (d) See answer to 1 "C".

2. Yes.

3. Yes. (a) (i) Provide a fixed water spray system at each lock; (ii) Provide means to escape from locks such as nylon rope ladders with oversize rungs; (iii) It was reported that at one lock the lockmaster uses a loud-hailer to give fire safety precautions in addition to the posted warning signs. Consideration should be given for this practice to be implemented at all locks. (iv) If a lock is located within an area where fire department services are immediately available, a municipal fire alarm box or at least a telephone should be provided so that the fire department can be summoned. (b) Safety precautions in the locks had already been implemented by Parks Canada prior to receipt of the report from the Dominion Fire Commissioner. A fixed water spray system has been under development by Parks Canada and will be installed on the new lock at Smiths Falls this summer for evaluation. If the system works satisfactorily we propose to install such a system at locks over 10 feet deep. However, first priority is to equip those locks over 20 feet deep. Many of the deeper locks have been equipped with scramble ladders or portable ladders for several years. This year all locks not equipped with permanent ladders will have portable ones. Loud-hailer equipment has also been available at all lockstations for several years. Staff have been instructed to use such equipment for marshalling craft and for obtaining compliance with fire precautions before commencing lockage operations. Telephones are located at each lockstation and emergency numbers including that of the nearest fire department have been displayed for a number of years. In addition to the above, regular and systematic inspections of all lock facilities are carried out at the beginning of each season to ensure that required safety signs are in place and in good condition: all lockstations are equipped with fire extinguishers that can be lowered to a boat in a lock and operating staff are drilled in the proper use of the fire fighting equipment at their stations. (c) See reply to (b) above.

4. Yes. (a) Fire hazard signs have been or will be placed in locks. All locks have two fire extinguishers on the lock walls. Canal staff are instructed in use of fire equipment. Permanent or temporary ladders will be provided at locks. Staff have been instructed in the event of a fire or explosion in a lock to fill the lock in order that persons on boats may escape. All lockstations are equipped with telephone to summon emergency aid. Lock operators are to ensure compliance with fire and smoking restrictions before commencing a lockage operation. The 1975 notice of hours of operation of the canals contains a notice requesting boaters not to smoke, use open flame appliances or idle engine during lock operation. The same notice was contained in the booklet Navigation Canals published in 1973. (b) Not applicable.

MR. ROOSEVELT DOUGLAS

Question No. 2,521—**Mr. Rodriguez:** (Corrected)

1. What were the criminal charges against Mr. Roosevelt Douglas, a landed immigrant from Dominica?

2. Was he convicted and, if so (a) on what date (b) what were the charges (c) what was the sentence?

3. What is his present status in Canada?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Solicitor General and the Department of Manpower and Immigration: 1 and 2. Mr. Roosevelt Douglas was convicted under section 372 (renumbered section 387) of the Criminal Code, for which he was sentenced on April 30, 1971, to an aggregate sentence of 913 days. He was released on bail on May 14, 1971, and resumed his servitude on June 21, 1973. Mr. Douglas is a landed immigrant, on parole until the date of expiration of his committal warrant, i.e., December 13, 1975. A deportation order was issued against Mr. Douglas and the Immigration Appeal Board has upheld that order.

3. The status of Mr. Roosevelt Douglas in Canada is that he is a person under an order of deportation who is to be removed from Canada as soon as practicable in accordance with the direction of the Immigration Appeal Board. Because he is on parole from prison he remains within the jurisdiction of the Solicitor General and cannot be removed from Canada until his parole expires in December 1975.

Order Paper Questions

DEPARTMENT OF LABOUR—1975-76 ESTIMATES FOR LANGUAGE TRAINING

Question No. 2,567—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of Labour for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. John C. Munro (Minister of Labour): 1. $20,800.

2. (a) Nil. (b) Nil. (c) $20,800. (d) Nil.

MINISTRY OF STATE (FISHERIES) ESTIMATES—LANGUAGE TRAINING

Question No. 2,569—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Ministry of State (Fisheries) for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Mr. Len Marchand (Parliamentary Secretary to Minister of State (Fisheries)): As fisheries and marine activities fall under the estimates of the Department of the Environment, please refer to the reply given to question No. 2,561.

CANCER RESEARCH

Question No. 2,620—**Mr. Reynolds:**

With reference to the answer to Question No. 1,524, how much would the government estimate of the $42,860,000 spent on medical research in 1974-75 was spent on the cure for cancer?

Hon. Mitchell Sharp (President of the Privy Council): National Research Council, $400,000; Medical Research Council, $4,445,000.

AIRCRAFT—COST PER FLYING HOUR

Question No. 2,689—**Mr. Forrestall:**

1. What is the actual hourly flying time rate charged by DND and DOT in respect of aircraft operated by them for use by and in the pursuit of the objectives of other departments for each type of aircraft made available?

2. Does any portion of such rate involve consideration of capital costs of the acquisition by DND and DOT of such aircraft in the first place, and (a) if so (i) what is it (ii) how is it arrived at (b) if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of National Defence and the Ministry of Transport as follows: 1. Flying time rates for the various DND aircraft are listed below: Falcon, $545 per hour; Cosmopolitan, $376 per hour; Boeing 707, $1,211 per hour; Hercules, $743 per hour; Buffalo, $666 per hour; Voyageur, $601 per hour; Twin Huey, $209 per hour. MOT hourly flying rates, Aircraft Type and Rate: Jetstar, $555; Viscount, $500; King Air, $185.

2. (a) No. (b) As these aircraft were purchased for departmental objectives, only incremental costs are charged when used for other departments.

[Mr. Sharp.]

FOSSIL FUEL GENERATING STATIONS

Question No. 2,718—**Mr. Francis:**

1. Is the amount of thermal pollution released into the surrounding environment by nuclear generating stations 50% more than the thermal pollution from fossil fuel generating stations?

2. Has the government commissioned studies to study the environmental effect of such excessive thermal pollution?

3. Does such thermal pollution cause organisms to grow which deplete the supply of oxygen in the surrounding environment?

4. What long range effects will such thermal pollution have on public health?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Environment and the National Health and Welfare as follows: 1. No, the thermal input to the environment is the sum of heat contained in air emissions and water effluents. Nuclear generating stations usually emit heat only to the water environment unlike traditional fossil fuel generating stations which emit both to the air and water environments. Per unit of electricity generated the heat input to the water environment, through the use of cooling water, is greater for nuclear generating stations.

2. Yes, several studies have been commissioned with special reference to the Great Lakes' environment.

3. An increase in water temperature decreases the ability of the water to contain oxygen. Also, it will cause organisms to grow which have both positive and negative effects on the concentration of oxygen depending on the position of an organism in its life cycle and the time of day (sunlight available).

4. There is no evidence that such thermal pollution has any adverse effect on public health.

SUPPLIES FOR PRIME MINISTER'S OFFICIAL RESIDENCE DURING 1973-74

Question No. 2,791—**Mr. Cossitt:**

With reference to the answer to Question No. 1,666 which stated in part that the Prime Minister's and Privy Council offices spent $12,739 for "supplies" at the Prime Minister's official residence at 24 Sussex Drive during 1973-74, what is the complete list of all items making up this total along with the cost in each case?

Right Hon. P. E. Trudeau (Prime Minister): The expenditure of $12,739 includes food, cleaning materials, non-alcoholic beverages, totalling $12,299, plus iniforms for government employees (residence staff) totalling $440.

SUPPLIES FOR PRIME MINISTER'S OFFICIAL RESIDENCE DURING 1974-75

Question No. 2,793—**Mr. Cossitt:**

With reference to the answer to question No. 1,667 which stated in part that the Prime Minister's and Privy Council offices spent $15,000 for "supplies" at the Prime Minister's official residence at 24 Sussex Drive during 1974-75, what is a complete list of all items making up this total along with the cost in each case?

Right Hon. P. E. Trudeau (Prime Minister): The figure of $15,000 as noted in reply to question 1,667 was a forecast expenditure. The actual expenditure of $14,953 is made up of purchases of food, cleaning materials, non-alcoholic

beverages in the amount of $14,635, plus uniforms for government employees (residence staff) totalling $318.

*LEGISLATION TO DEAL WITH NATIONAL EMERGENCIES WITHOUT INVOKING WAR MEASURES ACT

Question No. 2,892—**Mr. Stanbury:**

Has the Prime Minister carried out the intention he expressed on April 9, 1974, in the House of Commons, to discuss with the leaders of opposition parties the desirability of legislation to deal with national emergencies without the necessity of invoking the War Measures Act and (a) if so, what was the result of such discussions (b) if not, does he still intend to do so, or has the subject been abandoned by the government?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Prime Minister's statement of April 9, 1974 expressed a willingness to arrange a meeting with the leaders of other parties if they felt it would be a good idea to take this kind of action on a contingency basis for some future situation. The Prime Minister remains ready to arrange such a meeting on the basis indicated in his earlier reply.

LOBBYISTS

Question No. 2,967—**Mr. Beatty:**

1. Has the government considered the registration of lobbyists and (a) if so (i) what studies were done (ii) by and for whom were they done (iii) when were they completed (iv) what were their recommendations (v) where can copies be obtained (b) if not, for what reason?

2. What laws or regulations, if any, govern the relationship between lobbyists and government officials at the present time?

Hon. Mitchell Sharp (President of the Privy Council):

1. No.

2. Not applicable.

* * *

QUESTION PASSED AS ORDER FOR RETURNS

STUDENT EXCHANGE PROGRAMMES

Question No. 1,753—**Mr. Munro (Esquimalt-Saanich):**

1. By year, province and programme since the inception of the scheme, what federal funds have been allocated to student exchange programmes for student exchanges within Canada?

2. Have requests from some provinces been rejected outright?

3. (a) By year and province, how many students have visited other provinces (b) what was the average length of stay in the province or provinces visited (c) what reception arrangements are normally made (i) hostels (ii) private homes (iii) university dormitories and, in each case, how many and what are their names?

4. By year since its inception, what federal funds have been allocated to the Programme Canada Jeunesse-Monde?

5. By year and province, how many youths were drawn to participate in this Programme?

6. By year since the Programme was launched (a) what countries were visited (b) how many youths participated (c) from what provinces was each such country visited?

7. By year and province, what (a) provincial (b) private funds were allocated for the student exchange and Canada Jeunesse-Monde programmes?

8. What were the names of the corporate donors for both programmes?

Return tabled.

GOVERNMENT ORDERS

[*English*]

WEIGHTS AND MEASURES

GUIDELINE DATES FOR METRIC CONVERSION—REFERENCE TO COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the order numbered "Government Business, Number 9" be discharged; and

That the Standing Committee on Finance, Trade and Economic Affairs be authorized to consider the government's program of guideline dates for metric conversion.

Motion agreed to.

* * *

EXCISE TAX ACT

The House resumed, from Friday, July 25, consideration in committee of Bill C-66, to amend the Excise Tax Act—Mr. Turner (Ottawa-Carleton)—Mr. Penner in the chair.

On clause 1—"*gasoline*".

Mr. Benjamin: Mr. Chairman, on Friday, just before we adjourned, I had been referring to submissions made by the Canadian Automobile Association. Specifically the association says that if the government needs revenue it should raise it from all those who use petroleum. Mr. Charles J. Clark, President of the Canadian Automobile Association put it this way:

If additional revenue is required by the government to finance a national oil policy, it should be derived from at least all consumers of petroleum products and not by the private motorist who consumes only 25 per cent of petroleum production.

Mr. Clark also had this to say when meeting with government representatives:

Instead of economic sanctions by government, the association strongly urges the support of other agencies including governments at all levels in voluntary conservation programs.

Frankly, although I do not have much faith in the voluntary method, it is a better method than the one the minister proposes in the bill. Mr. Clark contends that the government should raise its revenues from all those who consume petroleum products, not just from private motorists who consume a mere 25 per cent of our petroleum production.

What will be the effect of the minister's exemptions? Clearly, because of the proposed system of rebates, the cost or burden will be borne by the private motorist. Three quarters of our gasoline production is not consumed by the private motorist, but he must shoulder the greatest part of the burden for financing the oil compensation fund. Surely all consumers of energy should bear the cost of this program equally.

What am I saying is that the minister is to raise between $500 million and $525 million in a calendar year from motorists, who consumes only 25 per cent of our petroleum production. This situation is possible only because of the exemptions to be provided in the legislation. Its worst feature is that the minister is granting exemptions to

those best able to afford ten cents a gallon, plus the additional five cents a gallon which will be imposed by the oil companies, plus the additional amounts, which may range from three cents to five cents more per gallon once the refiners, producers, bulk dealers and retailers pass their mark-up on to the consumer. The final price increase may be between 18 and 22 cents per gallon.

The so-called ten cents increase will cost the motorist either 11 or 12 cents once the markup is passed on. Those least able to afford the new prices must pay them. I ask hon. members is it fair to make those least able to bear the burden bear it? Is it fair or just to exempt those best able to pay? In particular the distinction the Minister of Finance makes between those who must drive to work and those who need not is so outrageous that I ask hon. members how they can possibly support this legislation.

● (1510)

To suggest that a doctor who drives to an appointment—which is driving to work—is any different from the worker driving to the office or plant in which he is employed is, in my opinion , a specious argument. There is no difference. Unless you are driving your automobile on holiday, or driving downtown to pick up your dry-cleaning or something like that, every other use of the automobile is a necessity, not something about which you have any choice, at least so far as a large number of people are concerned.

I presume the minister says that a lawyer driving to his office is going to pay the tax, but when he drives to the courthouse or goes to see a client he is not driving to work and will be entitled to a rebate. I submit that that is so intrinsically unfair that the minister's legislation is not deserving of the support of any member of this House.

Let me remind the minister of what the Canadian Automobile Association again had to say regarding what a number of members on all sides of the House have said in support of an alternative mode of transportation. As I mentioned the other day, the CAA does not disagree with efforts to conserve energy; in fact, it is in support of alternative modes of transportation. According to the CAA:

> In all too many instances, there is no alternative to the private car. While conservation is an admirable goal, and one supported by the Canadian Automobile Association, transferring people from automobiles to other modes such as urban transit systems through impositions on the motorist is not acceptable. What is required is to provide a more efficient, flexible, comfortable, convenient, attractive, public transportation system—

Note they say a "public" transportation system.

> —which will encourage motorists to voluntarily give up their automobile. And given a chance and an attractive alternative, the motorist will respond.

We also believe that given an attractive alternative the motorist will respond. The trouble with the contention of the Minister of Finance is that he calls for a ten cents a gallon tax on gasoline, as specified in clause 1, yet in an earlier breath he said that one of his objectives is to encourage people to use alternative modes of transportation. If massive numbers of people were to quit driving their cars to work and instead took a bus, or rode a bicycle or a moped, took the subway, or even flew to work, then the minister would not raise the money that he says he needs for the oil compensation fund. He cannot have it both ways, and I suggest this is another ridiculous feature of the legislation.

If the minister had been straightforward about this at the beginning and had said that the objective of the legislation is to raise revenue, that there was no other purpose, then one could understand what he is trying to accomplish much better. He should not have tried to muddy the waters by saying that there were two other objectives, namely, conserving energy and using other modes of transportation. If the people were to use other modes of transportation to conserve energy then he would fall far short of his $350 million which he needs for this portion of the year, and the $500 million that he is going to need for each 12-month period thereafter. It is something like the Minister of National Health and Welfare coming forward with legislation to slap another ten cents tax on cigarettes and saying that one of the objectives is to raise money and also to get people to quit smoking. You cannot accomplish both, because if people quit smoking there will be no additional revenue. That shows how ridiculous this bill is, Mr. Chairman.

The minister will get the agreement, I am sure, of many members in the back rows who have been complaining about this bill and, I suspect, catching heck about it back home, if he were to bring in something other than an amendment to the Excise Tax Act which provided for a very modest increase in, say, corporate income tax, individual income tax, or a combination of both. That would give him the money he requires for the oil compensation fund in a much fairer way and he would not have to go through the charade of saying he is trying to get people to conserve energy and to switch to other modes of transportation. I would promise him maximum co-operation from our group and he would be able to put such a bill, as far as I am concerned, through all stages in one day. I do not know how my hon. friend from Winnipeg North Centre would feel about that, but I suspect that many members of the House would approve.

The minister should also look into what is happening about this gasoline tax generally across the country. I suggest his advisers read the submission of the Canadian Automobile Association. If they did so they would realize how unfair is this legislation. It is compounding the unfairness of gasoline taxes across the country in view of the different levels of taxes in the provinces, taxes varying any where from ten cents in Alberta to, I believe, 25 cents a gallon in Newfoundland.

Another matter we object to has to do with the complaint of the counterpart in Ontario of the Minister of Energy, Mines and Resources that the federal government should never intrude into an area which is the preserve of the provinces. When the provincial minister complained that this tax would be an excessive burden upon people who had no choice but to use an automobile, the Minister of Energy, Mines and Resources advised the government of Ontario to reduce its gasoline tax. I can see why he advised them to do that, Mr. Chairman; he wanted to open the door for the Minister of Finance to move in and pick up the slack, which is exactly what occurred in the case of Saskatchewan. Saskatchewan has reduced its gasoline tax by nine cents a gallon to the consumer and it has also

forgone an additional three cents a gallon which now no longer goes to provincial revenue but to the government insurance fund. The nine cents a gallon reduction was a direct benefit to every gasoline user in Saskatchewan, but now this bill more than removes that benefit from the consumer.

I submit that is about the tenth or twelfth matter that is unfair and unjust about this legislation. I for one cannot support this clause, or any other clause in this bill, unless the minister brings in substantial amendments to it.

Mr. Symes: Mr. Chairman, I should like to ask the Minister of Finance a few questions regarding the ten cents a gallon gasoline tax. Has his department calculated what the loss of revenue to the federal treasury will be under the existing exemption given certain motorists, such as doctors and salesmen? I am talking about before the federal ten cents tax was imposed. What is the total amount of revenue lost to the federal government as the result of the existing exemptions?

● (1520)

Mr. Turner (Ottawa-Carleton): We have no way of calculating that.

Mr. Symes: Am I to assume also in respect of this ten cents tax that the Department of Finance has not calculated what revenue will be forgone because of the application of the exemptions?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the exemptions for all commercial use, including the examples cited by the hon. member, will run in the nature of between $180 million and $200 million.

Mr. Symes: In light of the arguments advanced about the discriminatory nature of this tax in that certain businessmen will have exemptions and others who drive their vehicles to work will not, why did the government not look at the option of reducing the amount of the exemption for people in the category of businessmen and doctors, if the amount will run to some $200 million in order to lower the federal tax from ten cents a gallon to perhaps eight cents of five cents? Surely this was an option, and I should like to know the reason it was discarded.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman surely recognizes that the exemption applies to farmers, fishermen, and a wide variety of people in the general category of those who use gasoline for the purpose of earning income in their business. We decided it was more fair to allow the exemption to apply where the existing deductibility of gasoline as an expense was applicable.

Mr. Symes: I still do not see the logic of that kind of calculation because of the discriminatory nature of the tax. It seems to me, as hon. members of the opposition have pointed out, that there are many others who could reasonably claim the expense for gasoline but who will not be granted the exemption under existing tax laws. I would just reiterate again how discriminatory we find this tax of ten cents a gallon on gasoline, and the exemption which only applies to the consumers of gaoline for the use of vehicles in certain categories but does not apply to those who use gasoline for other business purposes. Nor does this exemption apply to the consumers of other energy such as home heating fuel, and so on.

It seems that I cannot get anywhere with the minister on that aspect so I should like to move to his argument about conservation. When the minister presented this bill to the House he said he hoped the ten cents federal tax on gasoline would reduce consumption. What calculations has the minister made to back up his claim that there will be conservation, in terms of a reduction in the number of gallons in demand resulting from this ten cents tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I stated earlier to the House, in answer to a question by someone during the question period, that we did not have any precise calculation because one cannot estimate just what the extent of the conservation will be.

Mr. Symes: Mr. Chairman, that is an interesting way of presenting tax legislation; proceeding in the dark and having no calculations to back up the argument. How can the minister possibly believe that this tax of ten cents a gallon will have any significant conservation effect, particularly when we look at the fact that following the escalation in the price of oil, from some $3.80 a barrel in 1973 to $6.50 a barrel today, there was no significant reduction in demand? The fact is that there has been a continuing increase in demand in spite of that tremendous increase in the price. By what reason of logic does the minister argue that this ten cents a gallon tax will reduce use?

Mr. Turner (Ottawa-Carleton): I do not know about the hon. member, Mr. Chairman, but I think most of us will be more careful in our driving.

Mr. Saltsman: Mr. Chairman, I think the minister recognizes the concern of the opposition, and particularly the concern of the people in his own party. None of us are arguing against the principle of equalization or the need of the government to raise revenue in order to ensure to people in every part of Canada the same price for heating oil and gasoline. The grievance we have lies in the fact that the ten cents a gallon tax is very unfair. The minister really has not established that he could not have accomplished the same objectives in a more equitable way. That really is the argument we are putting forward. It seems to me that the minister might have applied the same sort of principle in respect of the gasoline tax as is applied in respect of the deduction of the cost of tools and equipment used in the course of employment.

The ten cents a gallon tax could probably be justified if the minister could demonstrate that all gasoline usage was discretionary. If this were similar to cigarettes or booze, the minister could make a case for a very high excise tax. He could always argue that you do not have to smoke or drink, and that you can leave these alone. I think it is clear that, while the use of the car is discretionary, a great portion of usage is necessary in employment, just as tools, safety boots and other things associated with employment are necessary. Such use of the automobile should be treated in the same manner.

In the minister's considerations in respect of raising this revenue did he give some thought to providing an exemp-

tion or a tax credit which would take into account some kind of average which most working men could relate to, so that there would be an exemption or compensation in respect of a certain portion of usage? This could be accomplished through a credit to income tax in the same way as a tax credit or exemption is now provided in respect of articles used in the course of employment.

The minister said in reply to an earlier question that not everyone drives a car. While that is true, there are very few families in this country who do not require a car for purposes of employment, even in the built-up city areas. It may be that not everyone does drive a car, but I am sure the figures would indicate that the overwhelming majority of Canadians do use cars in some way in respect of their employment. I am sure that people on unemployment insurance will argue the same point of view, that they have to drive 30 or 40 miles to the unemployment insurance office. They are expected to provide their own transportation or they will be cut off from benefits.

I would like to ask the minister this direct question. He has brought in a tax that even he will agree is regressive, just as every sales tax by its very nature is regressive. Why did he not provide some compensation based on income, and on the understanding that the car or the use thereof is not totally discretionary, but is required at least in part in most people's employment?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, when looking at the means of financing what the hon. gentleman has conceded to be a deficit in the oil account, as between the export tax on the one hand and the import subsidy on the other, which is running now somewhere between $400 million and $600 million, and looking at the alternatives, we felt the fair way was to tax the user of that gasoline, particularly personal use of automobiles. This was felt to be the fair way of financing the national oil price and maintaining the price for home heating oil, as well as the price for commercial and industrial uses, at $8. Obviously this hurts some users more than others, but I was concerned about progressivity, which is the reason we restored part of the reduction in the tax on incomes above $25,000, adding back $250 at that level in order to add some progressivity to the total line.

● (1530)

I just say to the hon. gentleman that until we return to some style of self-sufficiency in respect of energy, particularly oil and gas, in this country in an energy-short world there will have to be some adjustment in the way we transport ourselves, and some adjustment in the way we live.

Mr. Saltsman: Mr. Chairman, I do not disagree with the minister on the need to make that adjustment, but the minister really is suggesting that people have this kind of choice and can in effect make this adjustment. We make the argument that many people, even if they should agree with the need for conservation, very often are the low income people who do not have a choice. All we ask the minister is that he make an adjustment in the tax, or make an adjustment in the whole income tax picture, to find some kind of compensation to offset the regressiveness and lack of discretion which exist for many people regarding the use of gasoline.

[Mr. Saltsman.]

Mr. Rodriguez: Mr. Chairman, the minister in his budget said that one of the reasons for the imposition of this ten cents excise tax is so that people would be more careful in the way they consumed energy, particularly gasoline. He also mentioned that the purpose of the ten cents excise tax is to compensate the east coast for the shortfall. Now, suppose—and I am sure the minister must have considered this—people were indeed very careful in the use of petroleum and he was not able to raise the $350 million this year, or the projected $500 million, would the minister tell us in what other ways he would make up the difference if there should be a shortfall in respect of the amount needed?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as estimated by the hon. member's colleague, the hon. member for Waterloo-Cambridge, the shortfall in the oil account, that is, the difference between the export tax revenue and the import tax subsidies, will be roughly, in this fiscal year, between $400 million and $600 million. We can add to that an additional charge to the federal treasury of about $200 million as a result of equalization resulting from one third of the additional proposed gas revenues that are attached to the equalization account.

Over a full year the revenue from the excise tax at the ten cents a gallon on gasoline is estimated to be roughly $525 million. Now, if consumption is less, and therefore revenue from the excise tax is less what will happen at the same time is that the import of gasoline obviously will be less so that there will be less of a deficit in the oil account.

Mr. Rodriguez: Mr. Chairman, I want to come to the issue raised by myself and colleagues in this party, as well as by others, of the inconvenience this places on those workers who are not doctors, lawyers, or sales persons. I should like to ask a question about the steel workers at the Shebandowin mine, a mine owned by the International Nickel Company, which is located 60 miles from the Lakehead. These workers have no place to live at the mine. The company will not build a company town so the workers cannot live at the minesite and therefore must commute daily. Since they are in the second year of a three year contract this has created some difficulty for them because they are faced with an unexpected charge against their family budgets. Is the minister prepared to assist the workers at Shebandowin or any other workers in a similar situation?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, for reasons set out earlier there is no way we can fairly judge as between locations of people and jobs.

Mr. Rodriguez: I may say for the information of the minister that the company has a check-off list of workers at the Shebandowin mine. Surely it should not be beyond the capacity of the bureaucracy to determine who must drive and has the right to use a car. Surely it is not beyond the ability or the intelligence of the government to work out a system to take care of these workers. Is the minister telling me it is impossible for the bureaucracy to work out a system?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, you just cannot run a national tax system on a series of individual situations.

Mr. Rodriguez: Mr. Chairman, it seemed that the minister was saying that he was working in the dark and did not know what the budget figures were. It seems to me that since the government brought in the budget, and is imposing a tax, it should have the facts and figures. I should also like to ask the minister about another matter. It concerns rural mail deliveries. Those people who deliver mail on the basis of a contract with the post office will be faced with the burden of this ten cents tax. Will they be eligible for the rebate?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman, but obviously they are paid by the post office by the mile.

Mr. Rodriguez: Perhaps the minister is not aware that they work on a fixed contract with the post office. If contingencies such as this arise in the middle of their contract, arrangements have to be made. Is the minister prepared to allow these workers any consideration in respect of the delivery of mail? When they bid on a contract they do so assuming that gasoline will be at a certain price, and now they are faced with this excise tax. Will the minister provide them with an opportunity to get a rebate?

Mr. Turner (Ottawa-Carleton): If the rural postal deliveries are done by independent contractors, as most are, then their expenditure for the purchase of gasoline is a deductible item for the purpose of earning income, and the rebate would be applied. Of course that covers a great majority of the cases.

Mr. Rodriguez: Well, Mr. Chairman, I was wondering about this excise tax and whether the minister had thought about levying another three cents on every dollar bet at the race tracks. Has the minister considered that as a way to raise money? The government now is taking 15 cents out of every dollar bet at the race tracks and I wonder whether the bureaucrats had considered taking another three cents out of every dollar from the bets at the racetracks. There is racing every day of the week in Canada.

Mr. Turner (Ottawa-Carleton): I find that a strange position to be taken by a party which for many years has been opposed to lotteries. In any event I think that tax primarily is provincial.

Mr. Rodriguez: Mr. Chairman, I can say to the minister that such a position is very inconsistent with the philosophy of the New Democratic Party but certainly is not inconsistent with Liberal policy, and that is the reason I asked the question. It is a Liberal government which is imposing this tax and therefore I should like to know whether the minister has looked into this. I just wanted him to say yes or no, and not "go around the rosy".

Mr. Turner (Ottawa-Carleton): We examined a panorama of options, Mr. Chairman.

● (1540)

Mr. Darling: Mr. Chairman, I should like to ask the minister a couple of questions following those asked by the hon. member for Nickel Belt, who is very worried about the miners of Shebandowin. I assume that since they are miners they have a reasonable income, as compared with the many people who are working for minimum wages and have to drive their cars to work 30, 40 and even 50 miles. We know the minister has received representations about this. Along with all my colleagues on this side I have come to the conclusion that the minister has dug in his heels on the issue.

Perhaps the minister will recall the time when I spoke on July 14 and said I hoped he might reconsider his decision. I even went so far as to say I hoped he might repent. I wonder if he is nearer to repentance and would at least consider something different so far as this ten cents tax is concerned. I believe the figures which I have available state that if a tax of 2.5 cents were imposed on every gallon of every type of fuel, that is, gasoline oil, we would come up with the same amount.

Mr. Turner (Ottawa-Carleton): I could not give the hon. member an answer to that. What we wanted to do was to limit the tax to personal use to cover the deficit so that we could maintain the price on commercial use, home heating oil, industrial uses, use by farmers and fishermen and other pursuits where we need to continue production in the country, at $8 as against the world price of $12. For that reason we limited the tax to personal use.

Mr. Darling: The figures I have show that 2.5 cents imposed on all fuel oil would be sufficient. I do not think heating fuel should be considered because the home owner should not be saddled with that tax. I am wondering what percentage of increase would be required on all gasoline used for business purposes as well as for pleasure to make up the amount we need.

Mr. Turner (Ottawa-Carleton): I suppose the assumption is that the hon. gentlemen would be willing to see home heating oil bear part of the price?

Mr. Darling: No, I am referring to gasoline and diesel fuel. At present the government is letting many very wealthy people off the hook on diesel fuel because they are driving Mercedes Benz, Peugeot, or some other fancy cars and they do not pay the ten cents tax. I admit that the minister did say it would be a horrendous problem to catch those guys. I suggest that since they are all so well to do they will probably voluntarily send in the ten cents a gallon to the Minister of National Revenue. I wonder if the minister could give us a ballpark figure for how much would be required a gallon on all gasoline to come up with the amount which the government will get from the ten cents tax, which is imposed on people who can afford it the least in most cases.

Mr. Turner (Ottawa-Carleton): I will try to get the hon. gentleman the figure.

Mr. Darling: I am quite sure the minister has been reading the papers and has already heard how this tax has hurt the second most important industry in Canada, that

is, the tourist business. I am hoping the minister will do something about this. In one particular town the businessmen stated that they had not seen an American car on the streets for some time, so certainly this new tax has had a very serious impact on the tourist industry.

I have made it a point to talk to a great many people in the Parry Sound-Muskoka area and I understand they are all feeling the pinch. Certainly there is a recession, but they are blaming the ten cents a gallon gasoline tax for their situation. I would like to give an illustration. Not long ago an American car with a trailer pulled up in front of a gasoline dealer in the town of Trout Creek and asked for directions to a certain camp. The dealer gave them to him and then asked whether he would like his car filled up with gas, to which the American replied "Oh no, I have been reading about your gas situation. I have the trailer full of gas". That guy was a jackass, in my opinion, to take a chance on carrying a trailer full of gasoline, but perhaps many more people will take that chance to save money. It is pretty tough when tourist operators are hit in this way.

I cannot say that there are no American cars in my own village of Burks Falls because it happens to be the only town between the American border and Timagami, 300 miles north, and No. 11 highway goes right through the main street. So we do see a good many American cars going through there. Nevertheless, tourist operators are feeling the pinch, and I am wondering whether the minister has had second thoughts and will try to do something to cut this tax down somewhat.

I have another question, Mr. Chairman. This afternoon before I came to the House I spoke to the mayor of the township of Muskoka Lakes, which is one of the well-to-do townships. He said the township is feeling the pinch and asked me what could be done. I told him that we in the opposition were doing everything possible. I also thought back to November 18 when the minister dealt us a low blow on that boat deal, of which we have heard something lately. I know the minister recanted by taking the tax off the hulls, but then the ten cents tax was imposed. The mayor said to me, "my God, what will Turner do next?" I said to him, "Look out, I will tell you". I am predicting this and I shake in my boots when I say this, Mr. Chairman. I said to him, "Come the next budget, if he is hard up, he will start taxing that beautiful fresh air in Parry Sound-Muskoka."

Mr. Knowles (Winnipeg North Centre): Don't put ideas in his head.

● (1550)

[*Translation*]

Mr. Gauthier (Roberval): Mr. Chairman, I was waiting for the discussion to come to an end on both sides of the House. Members just seem to be yelling at one another. I wish to put a question to the minister. He stated that the 10-cent excise tax, which is particularly hard on individual Canadian taxpayers, has been imposed so as to reduce the amount of gas consumption. The idea is excellent, although I refuse to admit that it should be imposed only on the individual taxpayer. I should like to ask the minister if he intends to require the same tax from Crown corporations, such as the CN. Immediately after the announcement of Bill C-66, the CN handed out contracts to the owner of an Ontario trucking firm for all parcel post services in the province of Quebec. Previously, the merchandise was being delivered by Canadian National on its regular line, which situation did not cost a cent in either gas or oil. And now a private trucking firm is going to be delivering merchandise that used to be shipped regularly by the CN. I don't know whether the minister is aware of the amount of gas that is thus going to be spent uselessly, because previously there was no gas involved in such deliveries. Now this gas will be spent wastefully, simply because the whim of some CN officials who are comfortably seated in their offices, probably with the idea of trying to reduce the CN workload and give it to a private Ontario firm which will be delivering merchandise in the province of Quebec. I wonder whether the minister is going to do something if he really wants to save on gas consumption. As for us, we are all in favour of saving gas. But if the minister wants to do so also, he should start by preventing Crown corporations from acting so foolishly. I think this would be a first step in the right direction, and I should like the minister's opinion on the subject.

Mr. Turner (Ottawa-Carleton): In view of the hon. member's remarks, Mr. Chairman, I will simply say that I will draw the attention of my colleague the Minister of Transport (Mr. Marchand) to that matter.

[*English*]

Mr. Stevens: Mr. Chairman, this is the first time I have spoken with respect to Bill C-66, and I believe it is important that hon. members, and certainly the people of Canada, remind themselves of the true import of what the minister is proposing in Bill C-66. The fact is that Canadians are moving back to a two-price oil policy in Canada. It is not a geographical two-price system where those east of the Ottawa Valley pay more for imported oil while those west of the line pay less for our domestic product. It is a two tiered system based on one's class in society. One class of Canadians, mainly the commuter going to work, must pay world prices for oil, while the exempt class, those who can claim gasoline as an operating expense, get their gasoline for ten cents per gallon less. It is rationing through price.

As this debate on Bill C-66 goes on, the unfairness of this two-price system for petroleum products becomes more obvious. Few disagree with the concept of having a uniform price for oil products across Canada, but it is difficult to understand why the government feels that the subsidization for such a program, some $525 million, should fall on a relatively small sector of our petroleum users.

It is estimated that the ten cents per gallon tax will be levied on approximately one third of the total gallonage of all refined petroleum products used in Canada. If the government were to trim some of the fat from its current spending programs, there is no doubt that it could save the $525 million it needs in a full year for this subsidization program. Even if the government feels it cannot cut back on its spending, it is our belief that the subsidization program should be treated as a national expense and paid for out of the general treasury. In either event, if the subsidy were covered by a cutback in spending, or through a general levy, it would ensure that the subsidization would not fall so harshly on one sector of our people. All

would pay their pro rata share, including the businessman and the corporation as well as the working man.

The Minister of Finance has hinted that the ten cents per gallon excise tax will contribute to energy conservation, but I noted earlier today in this debate that he could not back up his contention that this will in fact help conserve energy in Canada. I would suggest that very few people take this conservation argument seriously.

Oil company officials have told me that they anticipate that consumers, who are already absorbing the ten cents a gallon tax will absorb it as another price increase without cutting back their demand for this type of fuel. People using cars to commute to work have no alternative but to pay the higher tax, which for most commuters in my riding means an extra $15 to $30 per month in their travelling expenses to and from work. This is an unnecessary and grossly unfair tax which falls discriminately on those who are least able to pay.

With that background I would like to read into the record a letter which I received from a constituent, in which he states:

I am one of Canada's contradictory taxpayers.

House prices in Toronto put homes beyond most people's budget. The government advocates we move to smaller centres where homes are less expensive. There we find jobs are fewer and lower paying and therefore we must commute to jobs in Toronto. Now the government puts the squeeze on us by adding 15 cents to the price of gasoline.

Why is the government putting the screws to we middle class people who wish to work and own homes?

Perhaps the minister could answer this question: what reply should I give to that constituent?

An hon. Member: He is speechless.

Mr. Paproski: The minister doesn't care.

An hon. Member: He has no reply.

Mr. Stevens: I think the record should note that the minister simply laughed.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I rise on a point of order. The record should note that I just smiled at the rhetorical question of the hon. gentleman, knowing that he has enough ingenuity to answer any letter from a constituent.

Mr. Stevens: Let me try another letter on the Minister of Finance.

Some hon. Members: Oh, oh!

Mr. Stevens: Another constituent wrote as follows:

How is Mr. J. Turner's budget going to help the working man with his fight against inflation?

The company I work for is offering us a 3% increase in our pay and J. Turner's budget is putting the cost of living up 2% along with the other raises in all the rest of the items. It is getting worse for the working people instead of better.

That constituent is presumably referring to the estimate now made by economists that the energy moves proposed by the Minister of Finance will be putting up the cost of living between 1¼ per cent to 1¾ per cent. I would like the minister to help me in replying to that constituent. Has his department done a study with respect to the impact of the proposal in Bill C-66 to put on a ten cents tax, on the cost of living, or the impact of raising the price of oil $1.50 per barrel which he also announced in his budget? In short, what will this mean in terms of inflation in Canada when it is actually felt?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the impact of this bill is less than one half of 1 per cent of the CPI. That is the price I believe Canadians have to pay in the short term in order to maintain one national price for Canadians and to maintain the price of fuel oil for commercial use and for farmers and fishermen at $8 per barrel, or two thirds of the world price.

Mr. Stevens: In speaking about the price which must be paid to maintain one oil price in Canada, which I reiterate no one is disagreeing with in principle, we are saying that the minister has chosen a means which is costly and extremely discriminatory.

Earlier in this debate the Minister of National Revenue stated that the administrative cost with respect to this tax would be 1 per cent. As 1 per cent is roughly something over $5 million of the total amount to be raised, can the minister indicate whether $5 million will actually be spent in administering this tax? Is it needed in the collection of the tax? Is it needed for the rebates, bearing in mind that for $5 million 500 civil servants could be hired at $10,000 per year, or if the government wants to pay $20,000 per year it could hire 250 civil servants with this $5 million, which the Minister of National Revenue indicated would be the total cost of administration of Bill C-66 with regard to the ten cents Turner tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the expenditure, of course, is the collecting of the tax and paying the rebates under the tax. That figure of 1 per cent is less than the figure of 1.2 per cent for the collection of the personal income tax in this country, and I think it demonstrates a relatively efficient administrative system.

● (1600)

Mr. Stevens: Mr. Chairman, obviously the minister's definition of relativity is different from that of members on this side of the House. I should like the minister to be more specific. Can he give a breakdown of how that $5 million odd will be spent? Where is that kind of money needed?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will get the details from the minister in charge of administering the tax, the Minister of National Revenue, and ask him to give those figures to the hon. gentleman.

Mr. Stevens: Mr. Chairman, the hon. member for Parry Sound-Muskoka has referred to the likely impact of this tax upon the tourist industry. Has the minister any calculation of the amount of the total tax that will come from tourists?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that would be very difficult to calculate and we do not have it.

Mr. Stevens: Could the minister indicate if he tried to obtain that figure before deciding to bring in this discriminatory tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we weighed the effect of the tax on the economy and Canadians generally in the short term, as against the medium and long term necessity for it.

Mr. Stevens: Touching on another question, namely the airport transport tax, could the minister elaborate on what he said in the budget, namely, that the tax was required to cover deficits in the operational and construction side of airports in Canada? What is the relative shortfall he is referring to? How much is operational and how much is actually construction of airports in Canada?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman made his point on second reading. I mentioned in the budget speech that the increase represented by the air transport tax was essential to help lessen the heavy deficit in airport construction and operation. For example, the total air transportation program had an operating deficit—that is to say operating costs less revenue—of just over $200 million in 1974-75. This deficit is for airports, air traffic services and en route navigation aids. It does not reflect any portion of capital cost. For airports only, the loss on operations for 1973-74 was $105 million. This loss reflects full costs including depreciation. The loss for 1974-75 is likely to be significantly higher.

Furthermore, the public account for 1973-74, at page 26-16, showed net income for the airport revolving fund in that year of $6.4 million. With the opening of Mirabel airport this year, this net income will disappear. In the current fiscal year, the revenue from the air transportation tax prior to the increase announced for August 1, 1975 was estimated at $37 million. The increased revenue resulting from the tax increases effective August 1, 1975 is expected to generate additional revenue up to $16 million. This revenue is necessary to offset costs for both revolving fund airports and all other airports.

Mr. Stevens: Now that the minister has familiarized us with these deficit figures and how they are arrived at, could he indicate if, faced with these deficit figures which presumably come from the Department of Transport, he inquired why our airports are operating so much in the red, especially when we realize that most if not all United States' airports operate profitably? Ours, operated by the federal government, appear to be getting more and more into a deficit position.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, without accepting that, I have been looking at the situation of the self-financing of airports. A direct reply to the question could more properly be proffered by my colleague. The hon. gentleman tried to take up that subject, or an allied subject, with me when we were discussing the Financial Guarantee Act, but the Minister of Transport could more properly answer it. With the over-all figures with which I am faced I felt, as did the Minister of Transport for whom I introduced this particular tax, that we ought to raise the air transportation tax.

Mr. Stevens: Mr. Chairman, may I assume that the minister accepted the deficit figures given him by the Minister of Transport without comment or question?

Mr. Turner (Ottawa-Carleton): No.

[Mr. Stevens.]

Mr. Stevens: To what extent did the minister question the Minister of Transport about the deficit? Did he ask him if he had reviewed the operation of United States airports to determine how they could run at a profit?

Mr. Turner (Ottawa-Carleton): I think the hon. gentleman understands that under the parliamentary system each minister replies for his own expenditures, and the over-all responsibility for expenditures lies with the President of the Treasury Board, while the over-all policy for this matter lies with the Minister of Transport. Under our parliamentary system of the collective responsibility of cabinet, my conversations with the Minister of Transport are privileged.

Mr. Stevens: Mr. Chairman, the minister indicated that the total revenue generated by this tax, if the bill is passed, would be about $53 million. In view of the fact that the total amount in our current year's estimates for the construction of the Pickering airport is $51.2 million, has the minister considered recommending that it be discontinued? In that way the $53 million revenue that he contemplates raising by this tax would be saved this year and in future years.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that is not a subject I would be free to discuss at this stage in this committee.

Mr. Stevens: Mr. Chairman, the minister might not feel free to discuss it, but in answer to my question if consideration had been given to that type of offset I suggest, it is quite in order to answer. Was any consideration given, in the spirit of restraint, to keeping this tax down by simply saying "Let's forget Pickering".

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I cannot elucidate on what I have already tried to indicate to the hon. gentleman.

Mr. Stevens: Coming back to the Turner ten cent gasoline tax, could the minister indicate—I have had dozens of letters from my constituents protesting this tax—in rough terms how many letters he received and how many said "Good boy, John, we like that ten cent tax" and how many stated in no uncertain terms that they feel it is inequitable and unfair?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we get a good deal of mail after every budget. After the last budget it was not in excess of previous budgets. Some letters liked the budget and some letters did not like the budget.

Mr. Stevens: Knowing the administrative talent the minister has around him, I thought they would have calculated the number of letters about the ten cent tax and reported the number in favour and the number opposed?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, let us be realistic—who the hell likes a tax? One does not expect to win a popularity contest by putting on any type of tax, particularly a visible one like a gasoline tax. Most of the people who wrote to me were satisfied with the explanation that it was in the interests of self-sufficiency, and of one national oil price for the country and was in the immediate and long term interests of the country.

Mr. Stevens: How does the minister know they were satisfied? Did people write back saying "Your tax is quite satisfactory, go ahead and impose it?"

● (1610)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I can state to the hon. member that to anyone who holds this portfolio, no correspondence or no news is good news.

Mr. Stevens: Mr. Chairman, I wish to direct one final question to the minister dealing with the Turner ten cent tax. In view of the fact the $1.50 increase per barrel of oil will be effective as far as the retail price is concerned on August 15, has any consideration been given to cutting back the ten cent tax effective that date in order to ensure there will be no further price increase at the retail level on August 15?

Mr. Turner (Ottawa-Carleton): No, sir.

Mr. Symes: Mr. Chairman, one of the points the opposition has been making in debate on this ten cent a gallon tax is that, people who have no other option will still have to drive their cars to work and hence they will be hit by this discriminatory tax, so the consumption of gasoline will not go down. In the last election campaign, the Liberal party made some rather grandiose promises to the people of Canada about improving public transit. They said they would forge ahead with improving municipal bus lines and an urban train system from the suburbs to the centres of the cities, as well as subways. I would like to know what has happened to those great promises.

I always assumed that Liberals were men and women of their word; once they said something they would live up to it. Judging by the results of July 8, many Canadians thought they were honest people who would live up to their promises. I would like the Minister of Finance to tell us what happened to those promises. On June 17, 1974 in Toronto, the Prime Minister announced a $270 million program to aid public transit. He said a Liberal government would pay 100 per cent of the cost of Canadian-made commuter vehicles and 50 per cent of the cost of platforms and stations. The government would also pay 25 per cent of the cost of Canadian manufactured vehicles for public transit within cities.

[*Translation*]

Mr. Fox: On a point of order, Mr. Chairman, the hon. member is not at all dealing with the matter under consideration by the House. I am prepared to hear and consider the points of view he is raising, but for the well-being of the House, I think he should limit his remarks to the matter now under consideration by the House.

[*English*]

Mr. Symes: I know Liberals do not like to hear old promises exposed or brought up again. My point is that the Minister of Finance is saying this tax will encourage Canadians to use alternate means of transport. I ask the minister, where are they? We know that public transit is the only logical alternative to driving a car. I am asking the minister to explain what has happened to those promises to improve public transit. That is entirely relevant.

As I was saying, the Prime Minister in that election campaign said that encouragement and assistance would be given to smaller municipalities for the creation of new transit systems, Canadian industry would be encouraged to develop passenger vehicles, and experimentation with new transit systems would be assisted by federal financing of demonstration projects.

The following day, June 18, 1974, the Prime Minister announced in Cornwall, Ontario, that a Liberal government would take responsibility for rail passenger service out of the hands of Canadian National and Canadian Pacific Railways and entrust the task to a new Crown corporation. The corporation would run high-speed rail services in heavily populated areas such as the Windsor-Quebec City corridor, introduce luxurious transcontinental excursion trains and establish a "super-bus" service between medium sized cities.

The Liberals also promised to set up a national urban transportation development corporation to promote improvements and develop policy on urban transportation. The corporation is mentioned in the 1973-74 annual report of the Ministry of State for Urban Affairs, but as the minister was forced to admit in committee on May 1, 1975, the corporation has not even been set up as yet. There were three major promises in the last election to promote public transit, providing an alternative for people instead of using their automobiles. I ask the Minister of Finance, who I believe is an honourable man who lives up to promises, when can we expect to see these three major promises, made by the Prime Minister in the last election campaign, come into effect and provide automobile drivers with a logical alternative?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, only the Prime Minister is entitled to respond to that type of question on behalf of the government.

Mr. Symes: Mr. Chairman, the minister knows full well that it is a cabinet decision. The decision is based on what the Minister of Finance sees as budget priorities. All we can conclude is that the minister does not see any need to uphold election promises. He does not see any need—

The Chairman: Order, please. I believe the Chair has been most lenient with the hon. member. At some points, there has been a connection with the clause under debate. The hon. member is aware of Standing Order 55(2) which instructs members to direct their remarks to the relevant clauses before the committee.

Some hon. Members: Hear, hear!

Mr. Benjamin: Mr. Chairman, I have a few more questions to ask the minister. To begin with, I find it very strange that in answering my colleague, the hon. member for Sault Ste. Marie, he would disavow promises made by the Prime Minister by saying that only he can answer them. I thought that any member of the Liberal party could do that.

I would like to ask the minister whether he, his colleagues or his officials, would give some rough or ballpark figures, if not exact ones, on the situation east of the Ottawa river. I take it that most of the expenditures out of the consumption fund will be to subsidize the export price

east of the Ottawa river. Can the minister advise how much that amounts to per gallon. I find it somewhat incongruous and very illogical that the purpose of the consumption fund is to subsidize the export price, mostly east of the Ottawa river. The minister then proceeds to take back ten cents a gallon from those same gasoline users. Was that aspect of the matter looked into? How much per gallon does the subsidy amount to in order to reach some price equalization compared to the ten cents a gallon the minister is levying in this bill?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I do not know whether we can break that down the way the hon. member suggests. By financing the deficit on the national single oil price against personal consumption, we are able to preserve the $8 a barrel price for industrial, farming, fishing and home heating consumption. How that breaks down per gallon is difficult to estimate. Obviously, the person who drives for personal use is paying more than $8 per barrel. The price he is paying is closer to the world price in order that we can maintain the price for those who use gasoline industrially, commercially, for farming or for fishing at two thirds of the world level.

● (1620)

Mr. Benjamin: Mr. Chairman, I suppose I should be satisfied with that answer, although I am not. I note that although the price is supposed to be equalized, a day or so ago there were wide price differentials in this country, even if one takes into account the differences in provincial gasoline taxes. I note that No. 1 grade gasoline in Halifax was selling for 89 cents per gallon, whereas in Regina it was selling for 71 cents. Surely, there should not be such a wide spread if we are trying to equalize prices.

May I ask a second question? When the minister was asked earlier this afternoon how much gasoline is consumed in this country, he said he does not have those figures before him. Since the bill is to allow the heaviest users of gasoline a rebate, or a deduction under the income tax act, has the minister considered imposing a smaller tax, say of three or four cents a gallon across the board, instead of ten cents a gallon as proposed in the bill. Can he say how great the government's revenues would be if a tax of three or four cents per gallon were imposed across the board and few exemptions and rebates were allowed? An across the board tax would force those who use most to pay most, which is only right. Why not charge three or four cents a gallon across the board? Would that not raise as much money as the government now seeks under the present bill? I ask again, does the minister know how much gasoline is consumed in Canada, and would not a lower across the board tax bring in as much money as will the provisions of the present bill?

Mr. Darling: That is the question I asked about ten minutes ago.

Mr. Turner (Ottawa-Carleton): Yes, the hon. member asked that question, but in a different way perhaps one hour ago. The hon. member asks why we did not charge, say, three of four cents a gallon right across the board, which would include gasoline used commercially, in farming and in fishing, instead of ten cents per gallon on personal use. We did not contemplate that, as that course would have affected the price structure of everything produced in this country. It would have affected the price of food; it would have affected the price structure of our entire manufacturing and industrial fields in Canada. It would have affected the price of mail delivery and of milk delivery. Therefore, in order to maintain the price of gasoline used industrially, commercially, in farming and in fishing, et cetera, at two thirds of the world level, we concentrated the tax on gasoline to be used for personal use.

[*Translation*]

Mr. Matte: Mr. Chairman, I want to ask the minister a very specific question.

Since one of the goals sought by this bill was to reduce gas consumption there seems to be at first blush some sort of contradiction since if a decrease in gas consumption is encouraged and millions of dollars in revenue are sought at the same time there seems at first blush to be a contradiction. I would like to get explanation on that.

But more precisely, if a decrease in gas consumption is being considered to conserve oil energy could the minister say according to the calculations of his experts by how much gas consumption could be reduced if this bill is implemented?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that matter has already been discussed in the House. First of all, it was not possible at that time to estimate conservation against an increase in the price of oil per cent per gallon. On the other hand, even if there is some conservation, some decrease in our consumption brought about by the increase in price, brought about up to a certain extent by that tax of 10 cents a gallon, it is true that the amount of money coming from the tax would be less but, on the other hand, oil imports into Canada would be less also. So, the reason for covering the deficit would be less valid and consumption might be down. The need for the tax would also be less because imports would go down.

[*English*]

Mr. Stevens: Mr. Chairman, now that the Minister of National Revenue is in the chamber, can he answer a question? Previously, the Minister of Finance told the committee that the cost of collecting the tax and paying rebates would equal about one per cent of collections, or about $5 million. How is that $5 million to be spent? Will the minister consider hiring about 500 civil servants at $10,000 per year each? Is that in the minister's mind? Or, is the minister considering a smaller staff and other types of expenses which were not contemplated?

Mr. Basford: Mr. Chairman, I do not have that material in front of me. The one per cent figure is correct. The expense will be borne by the Customs and Excise branch of the Department of National Revenue, which will be collecting the tax and doing much of the administration, the taxation branch of the department, which will be doing the data processing, and by the Department of Supply and Services, which will be paying refunds. I do not have figures as to the number of employees intended to be employed. They will be distributed among the three bodies mentioned. Those three bodies will also bear the cost of administration.

Mr. Stevens: Mr. Chairman, could the minister go further, and explain if the $5 million, that being roughly one per cent of anticipated collections, entails a new expenditure, or is the money earmarked for personnel already employed by the three departments which the minister anticipates will be involved in collecting the new tax?

Mr. Basford: Mr. Chairman, when I spoke the other day, I mentioned the cost of collection. I do not have my speech in front of me. I believe I spoke about less than one per cent. I am not going to allow the hon. member to pin me to some precise figure. We are currently working out how much of that will be in money and involve existing staff; we shall see what arrangements we can make with staff in order to accommodate this additional work load.

Mr. Stevens: Has any agreement been reached about forms and documentation? Mr. Chairman, may I ask the minister if an agreement on documents has been reached between his department and those in the Department of Finance who will be actively interested in the matter of income tax?

Mr. Basford: Mr. Chairman, a liaison committee has been set up which includes personnel from the Customs and Excise and taxation branches, and the Department of Supply and Services. It is to design forms that will be used in connection with this legislation. There has been a high degree of co-ordination and consultation between committee members. I have not yet approved the forms, because the legislation has not yet been passed.

● (1630)

The Deputy Chairman: With respect to the hon. member, I must point out we are dealing with a bill that imposes tax. It is not strictly acceptable to pursue this line of questioning, though the Chair does not want to be overly strict in the interest of the hon. member.

Mr. Stevens: I was trying to short-circuit matters, Mr. Chairman. I will put all my questions to the Minister of Finance and presumably he can gain the information from his colleague, the Minister of National Revenue. Could the minister indicate whether any consideration has been given to streamlining the collection system? Instead of requiring a person to pay the tax, save receipts, and file a declaration, has consideration been given to some type of exempt card, which would avoid a person having to pay the ten cents a gallon tax and then apply for a refund?

Mr. Basford: Mr. Chairman, I think that is clearly a policy matter that depends on the kind of tax imposed. My colleague, the Minister of Finance, should really answer that question.

Mr. Stevens: I note the Minister of Finance suggested that from his place. Perhaps I could put the question to him.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I dealt with that on Friday fairly thoroughly. If the hon. gentleman is not happy with what I said—or not satisfied with my response, he may not be happy with it—I would be glad to go over it again.

Mr. Stevens: A favourite trick of the Minister of Finance is to say that something has been covered in a previous exchange. I should like him to go over it again.

Mr. Turner (Ottawa-Carleton): Would the hon. member give me his specific question?

Mr. Stevens: Has consideration been given to streamlining the administrative problem that appears to exist here whereby people will have to pay the ten cents a gallon tax, will then have to file declarations periodically depending on the amount of usage, and hopefully will get a refund, in the meantime having to maintain receipts? To be very specific this kind of tax exemption exists, for example, in the province of Ontario with respect to farmers. I suggest the way it is handled is a much more streamlined process than that we are now contemplating. A farmer simply signs a declaration that he has purchased certain goods, that is he is carrying on the business of farming, and he does not have to pay the tax. There is no red tape regarding applying for a refund, and it is a much more equitable way of handling the tax.

Has the minister considered this type of simplified approach whereby people can simply stamp something on a card which exempts them from paying a tax, and in that way eliminate a lot of red tape that is going to cost over $5 million in terms of administration, according to the Minister of National Revenue?

Mr. Turner (Ottawa-Carleton): This is, of course, a manufacturer's tax, and refunds are available at the retail level, which is why the streamlining would have to take both those factors into account. The answer is yes, we are considering ways of streamlining it, but it might be more appropriate to discuss this on clause 5, which deals with refunds. As for the amount of $5 million referred to by the hon. member, this is about one per cent of the expected revenue from the tax and compares very favourably with the current 1.2 per cent administrative charge for personal income tax.

Mr. Benjamin: I have one short question, Mr. Chairman. Can the minister say whether there is anything in the bill or whether he envisages any regulations that would prevent any escalation of the ten cents a gallon tax that is applied at the refiner and importer level? I am talking of, say, a percentage mark-up all the way down the line, from the refiner to the distributor, to the bulk dealer, to the retailer. By the time it gets to the gasoline pump this tax may be more like 12 or 13 cents a gallon to the automobile user.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there is nothing in the legislation to prevent it, but the Minister of Energy, Mines and Resources said that he would be monitoring that at the same time as the $1.50 increase per barrel is passed through.

Mr. Knowles (Winnipeg North Centre): I have one short question, Mr. Chairman. Perhaps ten minutes or even half an hour ago in response to a question the minister said that this tax would reflect itself in the consumer price index by raising the index by one-half of one percent. May I ask the minister whether he means one-half of one per cent, or a half of a percentage point? A

half of one per cent on the present CPI would be almost one per cent.

Mr. Turner (Ottawa-Carleton): The hon. gentleman is quite correct—a half of a percentage point.

Mr. Knowles (Winnipeg North Centre): Is the minister sure of that?

Mr. Turner (Ottawa-Carleton): Now that the hon. gentleman forces me to precision, yes, I am sure of that.

Mr. Towers: I was wondering whether the minister could explain why it will cost .2 per cent less to collect this tax than to collect income tax? It comes under the same department.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that is more properly a question for my colleague, the Minister of National Revenue, who is in charge of the administration of the tax. I might tell the minister that I was asked why, in percentage terms, it costs less to administer the ten cents tax on gasoline than the 1.2 per cent it costs to administer personal income tax.

Mr. Basford: Because the administration is a great deal simpler, Mr. Chairman. Administration of personal income tax requires a great deal of checking, auditing, and computer work in order to determine the assessment and either certify the payment of the correct amount of tax, or that the amount be reduced or increased. The administration of the gasoline tax refund program is administratively much simpler, certainly far more simple than administering the income tax collection.

Mr. Stevens: Mr. Chairman, the Minister of Finance has used the figure of 1.2 per cent with regard to collection of personal income tax as some type of bench mark and has said that, relatively speaking, the one per cent is a lower cost figure. My question to the minister is this: is he not aware that the 1.2 per cent figure he is now referring to is substantially higher than the average collection expense for personal income tax over the last ten or 15 years? Is it appropriate to take the relatively high administrative cost figure that he is now referring to and use it to justify what I regard as a high collection fee, one per cent, for the new ten cents a gallon Turner gasoline tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I just do not agree with what the hon. member says.

Mr. Stevens: I will bring the figures down and present them to the minister later in the debate.

The Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

The Deputy Chairman: Before putting the question, may I say that in order to avoid difficulty I would remind hon. members that when a question is being put members are not permitted to enter or leave the chamber.

● (1640)

Clause 1 agreed to: Yeas, 40; Nays, 22.

[Mr. Knowles (Winnipeg North Centre).]

On Clause 2.

Mr. Peters: Mr. Chairman, I think I understood what the original clause was for, but I should like to ask the minister what the 8 per cent of the amount paid will represent. Under the old measure it was understood that $5 was the tax, but under the new one we have gone to $10. Is the original 5 per cent related to the 8 per cent in the new legislation, and does this affect only charter flights, or does it also affect the tariff structure on flights inside Canada? Does it affect the tax collected on external travel as well? Does this establish a tax that we previously did not have on flights leaving the country?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the proposals found in this clause increase the air transportation tax now in existence from 5 per cent to 8 per cent. The figure eight is underlined, which indicates a change from 5 per cent to 8 per cent effective August 1, 1975, on air transportation in Canada on flights within the taxation area, that is to say, Canada and the United States except Hawaii and the Islands of St. Pierre and Miquelon. The governor in council on the recommendation of the Minister of Transport may prescribe maximum amounts for the tax levy. At the present time the maximum payable is set at $5.

Mr. Peters: Does the 8 per cent change the $5, or is it Clause 3 where it is changed to $10? I am confused as to whether Clause 2 has any relationship to Clause 3, because Clause 2 refers mainly to charters.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, let us look at Clause 3, if you do not mind, as it is interlinked with Clause 2. This clause increases the tax, effective August 1, on air fares for flights from Canada to locations outside Canada other than the United States and the Islands of St. Pierre and Miquelon from $5 to the lesser of $10 or the amount which may be prescribed by order of the governor in council on the recommendation of the Minister of Transport. There is also a provision for a reduced rate when the passenger is a child under 12 years of age and is being transported at a reduced fare. Just to make that clear to the hon. gentleman, Clause 2 applies to flights in North America excluding Mexico, and Clause 3 applies to flights from Canada to elsewhere outside Canada.

Mr. Peters: Mr. Chairman, this is a sizeable tax on travel, particularly when you think in terms of members of parliament and others for whom the government must pay the transportation bill. This 8 per cent will amount to a sizeable figure if it applies to all those travelling in the North American area. Has the minister given any consideration to the establishment of a departure tax of a set amount rather than this tax being applied to all travel in North America? I presume this would apply more specifically to Clause 3 than to Clause 2, but it does seem to me that 8 per cent is an amount which will only add to the difficulties faced by the airlines in this country at the present time.

Air Canada, for instance, is operating now on its scheduled air flights very close to the break even point, with approximately 50 per cent capacity. When we add the 8 per cent Air Canada will still be flying across the country, but it may end up with a deficit. There is a level at which a tax

of this kind is economical and at which point there is some return. However, there is a point at which it is not economical.

It seems to me that Air Canada is running very close to the break even point on its flights to the United States, but the aircraft destined to Los Angeles are not operating at anywhere near full capacity. If we add on this extra burden this may result in a reduction in air travel and we may end up not getting any extra money. I am not sure about other air carriers, but from the reports I have seen it seems to me that Air Canada is operating pretty close to that break even point. Prices have gone up radically in the past five to six years, and with this increase in price I do not think the number of people being carried will necessarily increase. This will result in a diminishing return.

Mr. Turner (Ottawa-Carleton): In respect of the taxes in Clauses 2 and 3, that is to say the tax within the North American area and the tax on flights from Canada outside North America, there is a maximum which the governor in council can set. At the moment the maximum is $5 on both.

The reason the departure tax was not used, which as I understand it is a flat departure rate, was that the Minister of Transport and the government felt there ought to be some increase in the tax for increased distances. On the other hand, to meet the point the hon. member has just brought out, obviously there should be a maximum to ensure that air travel remains competitive, and that is where the balance has been struck.

Mr. Peters: I would like to ask the minister how the governor in council gets the recommendations as to what the maximum should be? There is not any allowance for that in the bill, but there is a definite statement in respect of 8 per cent.

Mr. Turner (Ottawa-Carleton): The maximum dollar amount is recommended by the Minister of Transport after consultation with the Minister of Finance having regard to problems of airport financing and operations.

● (1650)

[*Translation*]

Mr. Laprise: Madam Chairman, at this stage of clause 2, I would like to put a question to the Minister of Finance.

In Bill C-66, with respect to the tax increase, the 10 cents per gallon tax on gasoline, the minister provided that certain categories of people might get a refund of that tax, in other words would not have to pay the tax. Would it not be possible to do the same thing with respect to the air transportation tax in the case of certain categories of people like for instance diseased people who have to be flown to hospital. It is a well known fact that three out of four air passengers travel on behalf of companies or groups which give them a refund on their ticket. So it is not the individuals, but the company or the government which pay for rates or air transportation tax increases. But in the case of ordinary citizens, or of emergency flights, I think the possibility of a refund should be considered. I would like to know what the position of the minister is in that respect.

Mr. Turner (Ottawa-Carleton): Madam Chairman, since air transportation companies provide low rates for certain categories of passengers, of citizens, for instance senior citizens and children, it is obvious that, since the tax is a percentage of the rates, it would be lower in the case of those people. But no exemption or abatement is provided in the bill.

[*English*]

Mr. Benjamin: Madam Chairman, if I understand the minister correctly, clause 2 will cover Canada-U.S.-Caribbean flights, while Clause 3 will cover international flights.

Mr. Turner (Ottawa-Carleton): Clause 2 refers to Canada and the United States with the exception of Hawaii and St. Pierre de Miquelon, and Clause 3 covers everything else.

Mr. Benjamin: Then domestic flights for this purpose mean Canada-U.S. in Clause 2. May I ask the minister why there is the omission in Clause 2 of a provision that is contained in Clause 3, namely, the provision in which a child would pay 50 per cent of the amount prescribed in Clause 3.

Mr. Turner (Ottawa-Carleton): Madam Chairman, I have a feeling it is because there is already a reduced fare applicable on the domestic rate. Yes; that is the answer.

Mr. Benjamin: I take it that 8 per cent in respect of these domestic fares would represent $16 on a $200 fare. What is the rationale for that type of a tax on domestic flights, and what appears to be a flat $10 on international flights?

Mr. Turner (Ottawa-Carleton): Let me try to explain this. On the domestic flight it is now 8 per cent but not more than the governor in council sets within the limit, which is now $5. In respect of places outside North America it is $10 or such lesser amount as the governor in council sets. A maximum of $10 is set by legislation on foreign flights, and there is a maximum set by the governor in council on domestic flights.

Mr. Peters: What is the reason for the change from 5 per cent to 8 per cent if there is already a $5 ceiling? I do not see that much is being accomplished.

Mr. Turner (Ottawa-Carleton): I think you can anticipate that the Minister of Transport will arrange the upward limit.

Clause 2 agreed to.

The Assistant Deputy Chairman: Perhaps at this time I might announce the adjournment motion proceedings.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Pursuant to Standing Order 40, I wish to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—Reason for Delay in Setting Wage Guidelines; the hon. member for Sault Ste. Marie (Mr. Symes)—Energy—Oil—Basis for Calculating Length of Delay Before Increasing price; the hon. member for Oxford (Mr. Halliday)—Agriculture—Industrial Milk—Request for Reconsideration of Levy.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration in committee of Bill C-66, to amend the Excise Tax Act—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

On Clause 3.

Mr. Peters: Madam Chairman, it has always been the case that if I buy a ticket in Canada to go to a foreign country which has an airport departure tax I, in effect, on purchasing my ticket pay the departure tax here and at the other end I again pay the departure tax. However, people coming here who have bought a round ticket in their country of departure do not have to pay the departure tax twice.

I am well aware that there are some advantages to this system, but it seems to me that anyone coming here from another country would not be making a contribution to the departure procedure here. I am wondering whether an Ottawa departure tax should be applied to a ticket which does not indicate such a tax has been paid. On a ticket bought in Canada I believe the amount paid would be $10, which would involve $5 going and $5 coming.

Obviously there must be a cost involved in respect of people coming here to cover the surveillance costs and other things, but they do not pay the tax. If the Olympics go ahead we will probably find that many people will be visiting Canada in the next year and yet they will not pay any departure tax from our airports.

Mr. Turner (Ottawa-Carleton): I do not quarrel with what the hon. gentleman has said. However, jurisdiction over the tax is at the place in which the ticket is purchased, but the departure tax on the other hand is applicable at the port of exit. What the Minister of Transport ought to consider on the basis of the hon. gentleman's representation is a reciprocal departure tax, and I will draw it to his attention.

[The Assistant Deputy Chairman.]

• (1700)

The Assistant Deputy Chairman: Shall Clause 3 carry?

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I have tried to follow the minister in all his explanations about the tax being the lesser of (a) or (b) etc. I notice that according to the final clause of the bill, sections 2 and 3 shall come into force "on August 1, 1975, which is only about four days away. Therefore can the minister tell us now what the tax rates will be on August 1, bearing in mind that the governor in council has the right to fix an amount below the maximum amount set in this bill? Could the minister give the information to us, both for domestic and international flights?

Mr. Turner (Ottawa-Carleton): The maximum is $8 for both.

Mr. Knowles (Winnipeg North Centre): I should just like to draw the attention of the Minister of Communications to this new system of beaming from the official gallery which we have. It seems to have worked a lot better than some other methods of communication.

Mr. Baldwin: It is kind of expensive.

Mr. Benjamin: In Clause 3 I notice the following words at line 26:

such amount as may, for the purposes of this subsection, be prescribed by order of the Governor in Council on the recommendation of the Minister of Transport;

I note in the act that that clause came under 10(2) and (3) and it was not in the section in which it is to be found now. I wonder why it is being changed. Apparently in the old Excise Tax Act that part applied to domestic flights, but it was taken out and now it applies to international flights. Is that correct, and if so, why?

Mr. Turner (Ottawa-Carleton): The hon. member may be looking at the old bill. This tax was originally imposed a year or so ago.

Mr. Benjamin: I am referring to clauses 2 and 3 and the explanatory notes, which read:

These amendments relate to the air transportation tax imposed by subsections 10(1) and 11(1).

Then we have the following wording under (b):

such amount as may, for the purposes of this subsection, be prescribed by order of the Governor in Council on the recommendation of the Minister of Transport.

This does not appear further down in the part which would now apply to Clause 3 of the bill.

Mr. Baldwin: Look at the top of the next page.

Mr. Benjamin: It was in the old act under Clause 2, but will not be there any longer. Is that correct?

Mr. Turner (Ottawa-Carleton): Yes, the same flexibility is now given to foreign flights that was given on domestic flights.

Clause 3 agreed to.

On Clause 4.

Mr. Peters: Madam Chairman, I have a question for the minister on Clause 4. I read in the expert column by Dillon O'Leary, the son of the famous Senator of the same name, and of Irish extraction, that when the increase was put on in the federal budget the amount was translated to 20 cents in Ontario. It is removed now and only 15 cents is deducted in Ontario, so the five cents is still a reflection of the federal tax. I am aware of what happened. The Ontario government decided to reduce it to 15 cents and to keep the five cents. It is the responsibility of the Minister of Finance in that he started it and he gave them the opportunity to do this. I wonder what extraordinary measures he intends to take with regard to those who favour the grape and its derivitives to get that five cents off so that wine producers in Ontario and elsewhere will benefit from the removal of the total tax.

Mr. Turner (Ottawa-Carleton): The effect of the amendment, as the hon. gentleman surmises, is to hold back excise tax increases which were put on producers on November 18. This means the decrease represented by this clause amounts to 20 cents a gallon, as he said, on wines of all kinds containing not more than 7 per cent of absolute alcohol by volume, and 40 cents on all wines containing more than 7 per cent of absolute alcohol by volume.

The hon. member asked me what I will do about the provincial government and its pricing policy at LCBOs. That is within their jurisdiction, but it should be clear to domestic grape growing and wine producing industries that we have rescinded the 20 cent increase.

Mr. Peters: We do not grow apples in northern Ontario but I am curious about the difference that has been made with respect to ciders. There is a stronger and a weaker cider. For instance, Calvados is almost undrinkable. I would like to ask the minister whether there is a tax on the ordinary cider that is manufactured for sale in grocery stores, and how is it supervised? I gather that after a period of time cider becomes stronger. Is there any tax on cider produced from fresh apples and sold along the roadsides in parts of southern Quebec and Ontario?

Mr. Turner (Ottawa-Carleton): I do not know from what stores the hon. member buys his cider, but he cannot get high alcoholic content cider in grocery stores. Cider containing less than a certain percentage of alcohol is not taxed, it was relieved of the sales tax in two or three previous budgets, as is every so called soft drink. If it has the necessary alcoholic content it bears a general tax, but it was not affected by the special tax imposed in the November 18 budget.

[*Translation*]

Mr. Matte: To elaborate on that question, Madam Chairman, I would like to ask the minister if he is thinking of cider as well as wine? In other words, are ciders included in the wines mentioned in clause 4?

Mr. Turner (Ottawa-Carleton): Madam Chairman, there was no special tax on beer or ciders on November 18, and therefore no need to repeal such a tax.

[*English*]

Mr. Towers: Madam Chairman, it is not often that a minister changes his policy within six or eight months. In view of the fact that a large number of Canadians are incensed at his reducing the tax on wine at the same time as he is increasing the tax on gasoline, I am wondering if the minister is prepared to say that he made a mistake in the November 18 budget, or what is the reasoning for the quick change in policy?

● (1710)

Mr. Turner (Ottawa-Carleton): Because of recent changes in the market the domestic wine and grape growing industry has been seriously affected, and I wanted to improve its position on the basis of representations made by very many hon. members of this House, particularly the hon. members from the Niagara Peninsula.

[*Translation*]

Mr. Allard: Madam Chairman, I would like to ask the minister if we have to see the bottom of the bottle or the bottom of the barrel to know whether cider and beer are included in Clause 4. In fact, it seems that we did not get a satisfactory reply to the question asked by my colleague from Champlain.

Mr. Turner (Ottawa-Carleton): There is obviously a certain excise tax on beer and a certain minimum tax on cider. However, this clause removes only the special tax placed on November 18 on wine. But no special tax was placed on cider or beer on November 18. This is why these two items are not included in the clause.

[*English*]

Clause 4 agreed to.

On clause 5.

Mr. Baldwin: Madam Chairman, before we get into the debate, I rise on a point of order. I know that the minister is prepared at this stage to move an amendment, as he indicated at second reading, and when he moves his amendment I will propose a subamendment, which would permit hon. members to discuss this clause in the light of the amendments.

Mr. Knowles (Winnipeg North Centre): I have another amendment.

Mr. Turner (Ottawa-Carleton): One could see just how frustrated those two hon. gentleman would be if I did not present my amendment first.

Mr. Knowles (Winnipeg North Centre): I would be prepared to move mine first.

Mr. Turner (Ottawa-Carleton): The committee will recall that as a result of Mr. Speaker's decision a subclause of clause 5 was stricken because Mr. Speaker held that it did not correspond with the ways and means motion.

Mr. Baldwin: Very sound judgment.

Mr. Turner (Ottawa-Carleton): In any event, I would like to move an amendment to reintroduce a clause, in strict conformity with the ways and means motion, to give furtherance to the sense and ambit of the decision of Mr. Speaker. I therefore move:

That clause 5 of Bill C-66, An Act to amend the Excise Tax Act, be amended as follows:

(a) by striking out lines 26 to 36 on page 2 thereof and substituting therefor the following:

"(b) a municipality,

(c) a person for commercial or business purposes,

(d) a farmer for farming purposes,

(e) a fisherman, hunter or trapper for commercial fishing, hunting or trapping,

(f) a person under conditions for which relief from the consumption or sales tax is provided by virtue of any provision of this Act other than subsection 27(2), or

(g) a person of such other class of persons as the Governor in Council may by regulation prescribe,"; and

(b) by striking out line 18 on page 3 thereof and substituting therefor the following:

"(1)(a) to (g), for the purpose of making a"

Mr. Baldwin: Madam Chairman, a little while ago I heard someone ask the minister if he ever admitted making a mistake. Of course I understand it is a rule laid down in the Privy Council that any minister who admits making a mistake is forthwith fired, so we do not expect this to happen, but we have now gone all around the compass and come back to where we were at the time of the ways and means resolution, and I am one of those who feel that this is probably a wise decision.

I would like to believe that this was the advice originally given to the minister by his officials, that he took it to cabinet, and cabinet rather ruthlessly changed it and put in that unmentionable mess which brought into the bill the provision of the Income Tax Act, section 149, which would have been absolutely unenforceable. It will be difficult enough to enforce some of the provisions with regard to rebates, but section 149 of the Income Tax Act, as a basis on which rebates would be paid, would be simply nothing less than a monstrosity. I am glad to see that the minister recognized that, and I give him credit for doing so.

I feel that this is a case where we should object very strenuously to the governor in council having this power. If it is a matter of giving the governor in council power to impose a tax, I would strenuously resist it, and I think most members of the opposition would resist it, but giving the governor in council the right to add to the classes of people who are entitled to secure a rebate from a tax is something to which I am prepared to give acceptance, subject to an amendment which I will read now. I will not put the amendment, but I will read it now so that the minister, hon. members, and the Chair may have some idea of what is involved. My amendment will relate particularly to proposed Clause 5(g), and I think I will have to add to it. If the committee will look at proposed Clause 5(g) it reads as follows:

(g) a person of such other class of persons as the Governor in Council may by regulation prescribe,"

My amendment will have the effect of adding after the word regulation the following words: "subject to negative resolution of the House of Commons", before the word "prescribe".

So Clause 5(g) would then read as follows:

(g) a person of such other class of persons as the Governor in Council may by regulation subject to negative resolution of the House of Commons prescribe,"

[Mr. Turner (Ottawa-Carleton).]

I see that I shall have to do some editing now, but that will be the effect of my amendment.

In support of this proposal I would like to read to the committee the appropriate section of the Statutory Instruments Act which gives to the words "subject to negative resolution" a statutory definition. Section 28A. of the Statutory Instruments Act provides in subclause (d) as follows:

(d) the expression "subject to negative resolution of the House of Commons", when used in relation to any regulation, means that such regulation shall be laid before the House of Commons within 15 days after it is made or, if the House is not then sitting, on any of the first 15 days next thereafter that parliament is sitting and may be annulled by a resolution of the House of Commons introduced and passed in accordance with the rules of that House.

● (1720)

When my resolution is brought into proper form by adding one or two words, the effect will be that the governor in council—that is pursuant to subclause (g) if the amendment which the minister has introduced, is accepted—will have power by regulation to add a person or such other classes of persons as he may think appropriate as being entitled to a rebate. These classes will be in addition to those enumerated in the subclauses which appear in front of the new subclause (g).

My amendment will provide that by a negative resolution this House will have the right to debate and strike out such classes of persons as the governor in council may prescribe, as being additional to those already established. In other words, if the minister saw fit to prescribe that members of parliament, members of the press gallery or any other group were entitled to a rebate, this will be done by order in council. The order in council will come into effect immediately it is published and, according to the date fixed in the Statutory Instruments Act, if parliament is sitting, there is then an opportunity for members to post a notice of opposition to the arrangement. After a debate pursuant to the rules of the House if enough members could be found to vote a regulation down, it would be annulled.

We are not seeking to postpone the coming into effect of the regulation by waiting until this House has passed it. That would be an affirmative resolution. The meaning of the Statutory Instruments Act is quite plain, and I suggest the minister might be prepared to accept this, after consideration as part of his amendment. If not, I will move it in due course.

I have sat here very patiently listening to the excellent arguments advanced by all members, particularly those in the New Democratic Party, which had a strangely familiar ring. Of course, those hon. members, not being here for the early part of the debate, wanted to be involved when they finally arrived so they just turned to *Hansard* and read the speeches which members of this party made earlier!

Some hon. Members: Hear, hear!

Mr. Baldwin: This repetition for the second and third time of the excellent speeches made by members of this party had its effect. I could tell this from the happy faces opposite.

I should like to give the committee the reasons for the amendment that I will propose—unless the minister is prepared to work my idea into his own amendment. As a member of the Joint Committee on Regulations and Statutory Instruments, I know that a number of anomalies were discovered with regard to delegation of powers by parliament through statutory instruments to the governor in council, individuals, corporations and ministers. An arbitrary decision has been taken by the Privy Council which made an interpretation of the Statutory Instruments Act which places certain orders in council outside the ambit of examination by the committee and ultimately by this House. It has also taken outside the right of the people of Canada to have published a large number of statutory instruments. This has been done by their definition of the words "statutory instruments". It is my opinion that the only safe thing is for this parliament, having once given away certain delegated rights to the governor in council, to ministers, to tribunals of any kind, to insist upon these orders in council, these regulations, these statutory instruments, coming before the House for consideration.

I am not going to go beyond that now because I believe we will have a debate on this subject later this year. I know some members of the committee from the opposite side have taken the same stand as I do. I think it is the part of prudence, when we give to the government a very important power such as is contained in the right to establish a group of people entitled to a rebate of tax, to ensure a method of bringing back the statutory instruments by which this is done to this House for examination and, if necessary, to be struck down. We are talking here about a fundamental right, one which goes to the heart of the process of government, that is the right to tax and who shall be exempt from tax.

People may ask—why do this? We elect a government and through parliament give that government authority for three or four years to pass orders in council, to make statutory instruments, to make regulations whether they are for the Department of Manpower and Immigration, the Department of National Health and Welfare, the Department of Labour, the Department of Finance, the Department of National Revenue or whatever. Probably 90 per cent of the decisions which affect the people of Canada are not made by passing bills in this House, but by regulations passed under those bills. It is very important to make it clear that in doing so we must retain the right to review those decisions.

This government is not a benevolent dictatorship for four years. It received about 30 per cent of the votes of all people entitled to vote at the last election. I am not objecting. That is the process under which we operate and the government is entitled to be where it is, to form the cabinet and to sit on the right side of Mr. Speaker. The government received slightly over four million votes and 13 million ballots could have been cast at the election. That is the way we operate and we have not devised a better system.

During the four years that this government sits on the right side of Mr. Speaker, I will take every opportunity, when they ask for and obtain the right to act by order in council or regulation, to examine that power. They must bear in mind that a very large percentage of the people in this country do not support them. The powers they seek and the powers they exercise must therefore be subject to a reasonable measure of review in this House. This has not happened very often in the past. This would be a better parliament and a better country if we had more opportunity in the House to examine, review and, if the House so wills, to rescind, annul or change regulations and orders in council.

● (1730)

For that purpose, I propose to move this amendment. The minister has had a chance to consider it. If it has to be moved, I will have to put in it the fact that it has reference to subclause (g). The minister might have an opportunity at this time to indicate if it is acceptable to him. If so, it might well, by consent of the committee, be incorporated into his amendment.

Before resuming my seat, I want to say that when we get further along to clause 5, I will be moving an amendment with regard to clauses 3 and 4 which also give the governor in council the power to do certain things by regulations. They will be amendments of a kind similar to the one I will move now, if necessary.

Mr. Turner (Ottawa-Carleton): Madam Chairman, I wonder if it would be more appropriate if, before we debate the subamendment of the hon. member for Peace River, the amendment I put forward to the committee to re-establish the bill with the ways and means motion might be approved. We could then debate the subamendments.

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I might be persuaded in a moment to agree to that, but first I would like to indicate what I had intended to do at this point.

As for the amendment of the minister, of course it is not necessary to comment on it in substance. It is simply a procedural effort to conform with the recommendation made by Mr. Speaker. However, we now have the amendment before us and the hon. member for Peace River has suggested that there is a subamendment he would like to move, but he has not yet moved it.

I have a subamendment that I would like to move. I am prepared to move it now. However, if the minister persuades me, I might be willing to wait until we have amended the basic clause. Let me indicate what it is. I had the amendment prepared in relation to the printed bill as it is before us. Of course, the minister has changed some of the lines in that bill. If I were moving it now as a subamendment to the minister's amendment, it would read as follows:

> That the amendment be amended by adding in subclause (c) after the word "purposes", the following words:
>
> "or for the purpose of getting to and from his place of employment,"

As the minister is aware, subclause (c) in his amendment is the same as subclause (b) was in the printed bill, which refers in terms of exemptions to "a person for commercial or business purposes". My amendment or subamendment, depending on where it is moved, will change that clause to read in its entirety:

a person for commercial or business purposes or for the purpose of getting to and from his place of employment,

As I say, I have my right to move it now, but if the minister thinks it would be tidier to have his amendment voted on, on the clear understanding that we then come back to clause 5 as amended, with the full right to make amendments such as the hon. member for Peace River and I have suggested, I could be so persuaded. I gather that is the co-operative thing to do and I am prepared to do it in that way. I have indicated my subamendment. If we do it the other way, once the clause in the printed bill has been amended as the minister suggests, I will be seeking the floor to move the amendment I have just suggested which has to do with including exemptions for those who have to use their cars to get to and from their place of employment.

Mr. Turner (Ottawa-Carleton): Madam Chairman, if the committee were agreeable, I submit we vote upon my amendment and it would then be in order for both the hon. member for Peace River and the hon. member for Winnipeg North Centre to present their amendments to the new, revised bill.

Mr. Knowles (Winnipeg North Centre): I will agree to that, Madam Chairman.

Mr. Baldwin: Agreed.

[*Translation*]

Mr. Allard: Madam Chairman, I wanted to move a sub-amendment to the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles), which has the same purpose as my sub-amendment.

The Assistant Deputy Chairman: Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) has not yet moved his amendment.

Mr. Allard: But, Madam Chairman, I simply wanted to make a correction to the amendment he wants to move and add the following:

in the case of a worker who must travel a minimum of five (5) miles in his own car to reach his place of employment.

The Assistant Deputy Chairman: Order, please. I would like to point out that the hon. member for Winnipeg North Centre has not yet introduced his amendment. When he does, the hon. member for Rimouski (Mr. Allard) can move his sub-amendment.

[*English*]

The question is on the amendment of the Minister of Finance. Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Turner, Ottawa-Carleton) agreed to.

The Assistant Deputy Chairman: The question is now on clause 5, as amended.

Mr. Baldwin: Madam Chairman, I should like then to move:

That the amendment be amended by deleting all the words after the word "regulation" in subclause (g) and substituting the following:

"subject to negative resolution of the House of Commons prescribe"

[Mr. Knowles (Winnipeg North Centre).]

Mr. Turner (Ottawa-Carleton): Madam Chairman, as a courtesy to the hon. member for Peace River, I would like to respond to his amendment about a negative resolution against the use of governor in council regulation as it affects the rebates under this tax. The hon. member knows that I share with him a concern about limiting the power of delegation and the power of regulation from this House to ministers and from ministers to their officials. With his co-operation and that of others still here, I might say that when I was Attorney General, I brought in the Statutory Instruments Act, as a result of which we now have a regular standing committee of the House and the other place dealing with the regulations coming before them and evaluating those regulations against other sets of criteria. They are set out in the bill.

● (1740)

The difficulty with negative resolutions is that as the hon. member for Peace River concedes, the House has not established rules for dealing with negative resolutions and, frankly, I hesitate to do something when I do not know what I am getting into. There was a precedent in the case of manufacturing incentives, as we included the provision for debate if 60 hon. members so requested. As the committee will recall, at that time we included rules of procedure right in the statute in order to overcome the problem as to what the governing rules would be. At the moment we do not have rules governing any general negative resolution.

My second concern is that the one thing we need with a tax is certainty, that is, certainty as to whom it applies and to whom it does not. I submit to the Chair that what the hon. member suggests would generate a great deal of uncertainty for taxpayers, because at any one time a taxpayer would want to assess the prospect of whether the House would annul relieving legislation at some future date. I should like to gain more experience with the operation of the regulations before submitting them to a further test in the House in the form of a negative resolution. We would want more experience as to how a negative resolution works, and would want to know what effect the rules of the House will have on a negative resolution.

I point out to the hon. member for Peace River that because the government had second thoughts about delegation it attempted to amend the bill, but Mr. Speaker, as a result of opposition arguments, decided that it went beyond the scope of the ways and means motion. We abided by Mr. Speaker's decision. We wanted, in writing the bill, to leave the House in full control of the ambit of the rebates and exemptions. I should hesitate to submit the substance of this clause to the untried procedure of a negative resolution.

Even under the present situation the regulations, when promulgated by the governor in council, must be published in accordance with the provisions of the Statutory Instruments Act and will, in the ordinary course, be submitted for review by a standing committee of the House.

For these reasons, Madam Chairman, I am reluctant to accept the precedent of a negative resolution, particularly as it applies to a tax bill and as taxpayers must be assured of certainty. I would far rather see it introduced in some other type of legislation and see how it works, particularly

if it could be reinforced by some amendment to the standing orders of the House, so that we could know what we are getting into.

Mr. Baldwin: Madam Chairman, there is no better way for the minister to obtain on-the-job training with negative resolutions than through the present means. There is a simple means of introducing a negative resolution, actually the only means available to us, namely, that of introducing such a resolution in connection with a motion on an opposition day on which there is to be a vote. That is the limited procedure available to opposition members to challenge the government on issues of this kind. That procedure is plain and well known. If I, or the hon. member for Winnipeg North Centre, were to move a motion on an opposition day the effect of which would be to challenge any particular order in council, our action would be in accordance with procedures with which the House is familiar and which we have used previously.

I say to the minister that he is right—the House has been delinquent in not devising a code for dealing with negative and affirmative resolutions, and that explains much of the present difficulty. I suggest, nevertheless, that there are one or two government statutes—I cannot remember them just now but will bring them to the minister's attention—which use wording precisely similar to that we were contemplating in order to satisfy some request which had been made by opposition members.

I challenge the minister's assumption that this order in council will have to be published. This is precisely what I was trying to say a little while ago. The Privy Council has brought forward some arbitrary, arrogant, and seemingly unchallengeable decrees as to what, in its opinion, constitutes a regulation, subject to supervision by the scrutiny committee, and a regulation which must be published. This matter has engaged the attention of the Joint Committee on Regulations and Other Statutory Instruments. It has caused a great deal of concern, and I shall bring before this House a proposal for the review of the statutory instruments legislation.

I have some grave doubts about the way the proposed section would read. The minister has introduced an amendment, and I doubt whether the proposed section would constitute a statutory instrument which can go before the joint committee and which must be published. That is precisely my fear, precisely my anxiety.

I, myself, am at the point of preparing a number of proposals having to do with how the House ought to deal with affirmative and negative resolutions. Judging from what I heard the Minister of National Revenue say, it may take him five or six months to complete the regulations and methods of paying rebates. I judge, if you consider the number of applications members will receive and proposals they will make on behalf of their constituents, it will take the Minister of National Revenue at least eight months to establish any standard form of jurisprudence or procedure dealing with the difficult question of rebates. And therein lies one of our criticisms of this bill.

An hon. Member: Not at all.

Mr. Baldwin: I hear an hon. member criticizing my suggestion. I say to the hon. member these criticisms are well founded. This bill was brought forward without adequate preparation, in a half baked form. There has been inadequate preparation with respect to the matter of rebates. That is why we, in my party, have been so vehement in opposing it. There ought to have been before the House a code or regulation under which we, our constituents, and all the people of Canada could know the circumstances under which rebates are to be paid.

I say to the minister—and I am trying to be conciliatory—that he is not losing anything, as, in my judgment, there will come before this House this fall a proposal for a code governing how the House is to deal with negative and affirmative resolutions. In this case we are considering a negative resolution. If the minister will examine the definition of a negative resolution he will see that the final words of the definition say that it may be annulled by a resolution of the House of Commons introduced and passed in accordance with the rules of that House. At this moment we must adhere to our present rules.

As the minister knows, a matter like this can be raised either by way of a private member's motion, which is of no great consequence unless the government is prepared to facilitate discussion of such a motion and allow it to come to a vote, or by way of a motion raised pursuant to opposition day procedures, and six such opposition days are available in one year. Those are two specific ways for the raising of this question. The minister does not need to be in a quandary as to how it will be done. I have suggested the only two ways in which, at present, it can be done. I suggest, and this is not only my belief but reflects the reality of the situation, that there will be in place, even before this fall, a procedure in this House for dealing with negative resolutions.

Speaking to the merits of the matter, I dislike very much giving the government, in a taxation measure such as this, the right to propose classes of persons who shall be exempt from taxation. My objection applies equally to the power to take away that exemption. If you give the government power to grant exemptions, you give it power to remove exemptions. I am reluctant to let such power pass out of this House unless we shall have some opportunity at a later date to challenge it and vote on it.

I am most sincere about this, Madam Chairman. We are dealing with a taxation question, and I simply do not think we should give power to the government to impose taxes by order in council, or even to propose rebates and exemptions, unless the umbilical cord to this House remains uncut. I suggest that if the minister is not prepared to do this, then it is evidence of bad faith on the part of the government, which refuses to allow to the House the simple right of review proposed in this amendment.

● (1750)

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I hope the minister will give serious consideration to the proposal of the hon. member for Peace River. In fact I hope that consideration might be given to the amendment over the dinner recess between six and eight o'clock. Perhaps it would not hurt if we called it six o'clock so that the government could give the matter serious thought.

In the meantime may I just say a few words. I think we frequently put on the record what everybody knows, but

may I do it again. The difference between an affirmative resolution and a negative resolution is such that the hon. member for Peace River has chosen the method that is least awkward for the government. As I understand it, if one is asking for an affirmative resolution it means that an order in council cannot come into effect until the matter has been brought before parliament and there has been an affirmative vote. On the other hand, use of a negative resolution means that an order in council can be put into effect at the moment stated in the order, but can be nullified if later on there is a negative vote in parliament.

The minister said that in the field of taxation there has to be some certainty. The government operates all the time on the basis of putting on taxes and then starting to collect them, counting on the fact that it will get approval from the House later on. The ten cents tax on gasoline is being collected right now even though the bill that would endorse it, Bill C-66, has not been passed.

The government will be in precisely the same position if it accepts the amendment proposed by the hon. member for Peace River. It would have full authority by order in council to make these tax changes having to do with exemptions—in or out, as you will—and to put those changes into effect at the moment specified in the order. So there is no awkwardness for the government in that case. If the government believes that what it is doing is right and believes that it will have the support of the majority of the House, it can act. Accordingly I submit very strongly that there is a good argument for the proposition put forward by the hon. member for Peace River.

As the Minister of Finance has pointed out, he was one who had something to do with this affirmative and negative resolution proposition. It was fine to put it forward academically as a proposition to protect the rights of parliament, but why not apply it when a practical situation occurs?

So, Madam Chairman, I have had enough practice at speaking that I think I could keep going until six o'clock if necessary, but surely this is something that the minister ought to look at with his officials over the dinner recess, and I suggest we not conclude the point now. The simplest way, unless somebody else wants to say something about it, is to call it six o'clock.

The Assistant Deputy Chairman: Is it agreed we call it six o'clock?

Some hon. Members: Agreed.

Some hon. Members: No.

The Assistant Deputy Chairman: There being no agreement, is the committee ready for the question?

Mr. Turner (Ottawa-Carleton): Madam Chairman, I think there is some sense in what the hon. member just said. I think that by general agreement we could call it six o'clock.

The Assistant Deputy Chairman: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

[Mr. Knowles (Winnipeg North Centre).]

The Assistant Deputy Chairman: It being six o'clock I do now leave the chair till eight o'clock this evening.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order, please. House again in committee of the whole on Bill C-66, to amend the Excise Tax Act. When the committee rose at six o'clock Clause 5 as amended was under consideration.

Mr. Baldwin: Mr. Chairman, the Minister of Finance looks to me like a man who has come here with an olive branch. Perhaps he might like to give us his views at the moment, or indicate that he is prepared to entertain more argument. I have a very large number of new arguments I developed during the supper hour. I have had a very good supper and I have all kinds of fresh ideas, so I am full of enthusiasm. If the minister needs more convincing, I am prepared to make the effort. Perhaps he is in the position of a hung jury right now. He has not made up his mind and wants to hear more arguments from us. I can carry on with those arguments, but perhaps the minister would like to say something about what his attitude is now.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have enough respect for the hon. member for Peace River to know that once he states his argument he does not have to repeat it.

Mr. Baldwin: I have new ones.

Mr. Turner (Ottawa-Carleton): He does it so succintly and clearly there is absolutely no doubt about what he has in mind. I would, first of all, repeat what I said earlier, that having introduced the Statutory Instruments Act, we sought to place some limitation on the power of the government to delegate to ministers, or the governor in council, the authority to regulate, through officials by way of sub-delegation.

I have a good deal of sympathy for the hon. member's argument, and quite frankly I share his concern over the fact that we have not been able to bring in to this House, or that this House has not been able to adopt, through the Joint Committee on Regulations and other Statutory Instruments, new rules relating to this type of matter which would have provided a code for dealing with affirmative or negative resolutions challenging the regulatory authority given to ministers by this type of bill or bills. I am concerned also when the hon. member tells the House that he has some insider's information on what the Privy Council office is going to pronounce as to the necessity for publication of this type of regulation.

Mr. Baldwin: I have a correction to make in that regard.

Mr. Turner (Ottawa-Carleton): It is my personal feeling that, this being a regulation, it would be subject to publication under the act. I leave it to him to expand on that if he wants to later.

There is, of course, a right of review already granted to parliament through the Joint Committee on Regulations and other Statutory Instruments, although I have no quarrel with what the hon. member said about the limited occasions on which that right can be exercised, either by way of a resolution prompted by the committee or by the opposition designating an opposition day under which to bring to the attention of the House the fact the government or a minister may have overridden the criteria against which regulations are to be drafted.

My problem, as I stated before the dinner break, is in allowing this bill to be the subject of negative resolution procedure before I have any idea of what the rules are going to be regulating the disposition of such resolutions. I hesitate to launch a taxation bill into that position because of, as I said earlier, the necessity for certainty as it applies to the taxpayers being able to arrange their affairs, knowing some degree of precision what the law is going to be.

Perhaps I might say to the hon. member that I am committed to the widest review of regulations and to the public scrutiny the publication of these regulations demands. However, I cannot bring myself to putting this bill on an experimental basis until the House itself has agreed to ground rules for the disposition of resolutions proposed by hon. members.

Mr. Baldwin: Mr. Chairman, I detected a note of hesitancy in the way the Minister of Justice approached—

An hon. Member: The Minister of Finance.

Mr. Baldwin: Yes, the Minister of Finance. Justice has long fled, Mr. Chairman. I noted a negative attitude in the way the minister approached this proposition. I can tell that his heart was not in it. It may be that his officials have persuaded him, and I have the feeling that all too often it is the officials, present company excepted, rather than the ministers who make the decisions.

Mr. Turner (Ottawa-Carleton): That is not quite fair. I take the responsibility.

Mr. Baldwin: The minister may take the responsibility, but I have been around here too long not to know precisely how that responsibility is placed in the minister's hands. I have listened to representations before the statutory instruments committee in connection with my attempt to get a little more freedom of information, and I know just exactly how the situation lies. The minister knows this, as does the President of the Privy Council. They pretty well do what they are told. That is about the size of it, and most of us over here know that. Before I go on to make my other arguments, and because I have detected this note of hesitancy in the voice of the minister who perhaps wants more persuasion, I should try harder. Perhaps he wants to be courted a little bit on this, and I am prepared to court him. There is lots of time for courting and this is a fine evening for it, Mr. Chairman.

I see the President of the Privy Council in attendance. I have a suggestion for the minister. He says he does not want a tax bill to be the subject of this experiment, and I will come back to that in a little while. Perhaps the President of the Privy Council could also consider this suggestion, or undertaking, as I think he should. It is that this House will consider a code for establishing rules in respect of negative and affirmative resolutions. After all, we have had this law on the statute books since 1971, or 1972 when the Statutory Instruments Act was passed, yet we have never been given the authority to follow the Procedure set out in the Act. This situation is like the one created by the famous Roman emperor who was compelled by law to publish his statutes, so he hung them up so high no one could read them. That is what the government is now doing.

An hon. Member: Give us his name.

Mr. Baldwin: Perhaps it was Caligula, who also had some horses. We have some horses here, but I think we have the wrong ends, Mr. Chairman.

Some hon. Members: Oh, oh!

Mr. Baldwin: Caligula was the Roman emperor who appointed his horse to be a consul. Sometimes when I look at the cabinet I have some doubts, I must say, about whether Caligula's plan is not still operating.

To get down to business, if the President of the Privy Council were prepared to co-operate in bringing forward this change in the rules, as it should be brought forward, then perhaps members could define the rules under which the House would operate in relation to negative and affirmative resolutions. I do not have much confidence that the minister would be allowed by his officials or his colleagues in the cabinet to bring this bill back later. For that reason perhaps we could pass this amendment and postpone its implementation for four months. I am being very reasonable. In fact, I am amazed by my reasonableness. The minister should consider that proposition carefully. Perhaps the minister and his colleagues could get together right now and hold a miniature cabinet caucus so that we can pass this amendment. I have three more as well, but I might be persuaded to drop a couple of them if we can get this thing started.

Perhaps the President of the Privy Council, in the discharge of his duties and responsibilities, would undertake that this House will have a chance to consider and pass a code governing affirmative and negative resolutions. If that were the case, I would undertake on behalf of this party, and I am sure the hon. member for Winnipeg North Centre would undertake as well on behalf of his party, to provide a very limited debate on a reasonable code defining the rules in respect of affirmative and negative resolutions. As a result of the way this government has been operating during the course of this parliament I am sure we are going to have a great many of these debates.

I could take this amendment back and propose an exceedingly complicated, complex and lengthy amendment such as I put forward in connection with the Petroleum Administration Act. That was accepted by the Minister of Energy, Mines and Resources, and you must admit, Mr. Chairman, when the Minister of Energy, Mines and Resources accepts something, that is quite an undertaking. If he can do it, I am sure the Minister of Finance, who is much more flexible than the Minister of Energy, Mines and Resources, would accept it. But that would be a very complicated and complex process and I do not think

the House should be compelled to do that. What we need is a simple code covering these kinds of amendments.

● (2010)

While the minister is considering that, I want to place a few more arguments before him. First, I want to dispose of the rather ridiculous statement he made that he does not like to leave a tax statute in the vague position in which this legislation would be if such an amendment as the one I proposed were accepted. How ridiculous is the minister's statement! Here he proposes, by an amendment which he has introduced, which allows the government to add to the classes of people who may be exempted from this tax or who may secure a rebate, a person of such other class of persons as the governor in council may by regulations prescribe. That leaves the whole world within the ambit of that description. Any class of people may be defined by an order in council as being liable for the exemption.

This bill is not as concise and precise as a tax bill should be and the minister, by his amendment, has made it plain that that is the case. He can provide any class or group in this country with an exemption.

I will not go back on what I said at the beginning of my remarks that I would much prefer that than the ridiculous aberration put forward in the form of section 149 of the Income Tax Act. But that is not all of it. Also in this clause we find the expression "commercial or business purposes shall have such meaning as the governor in council may determine by regulation". The words "commercial or business purposes" have a very clear and definite dictionary meaning, whether you refer to the Oxford or Webster dictionaries, or any other dictionary. We know what those words mean, and not only do we know because of the normal use of those expressions in business and social life but because of their judicial interpretation.

I think you can go to the law reports and probably find a number of judicial interpretations of what "commercial or business purposes" means. Yet the government has taken to itself the right to place upon these words such tortured or unusual interpretations as it sees fit. In other words, if it is placed in a position of having to make a decision, it can say it does not want to have to make this decision, and it can take the ordinary interpretation of the words "commercial or business purposes" and can change that definition to suit itself. How can the minister say he wants a tax bill with precision and exactitude when he has the right to make these changes, he or whoever may succeed him? I think this is ridiculous. There is no measure of precision about this bill at all. It is a bill which can be widened, so far as exemptions are concerned, or restricted as the governor in council may see fit to do.

The minister has said that there is the right of review of orders in council. I want to call to his attention that there is the right of review by the Joint Committee on Regulations and Other Statutory Instruments which has the right of scrutiny, but not the right of scrutiny which goes to the question of substance. This is one of the limitations. We are not able to go into questions of policy.

If the government sees fit for some reason or other to say it places such and such interpretation on the phrase "commercial or business purposes," or it is going to extend the benefit of the right to give a rebate to some other class,

[Mr. Baldwin.]

the scrutiny committee cannot pass judgment on the basis of the policy or the substance of that decision. If an unexpected or an unusual use is made of a power within the terms of reference, they have the right to comment upon it but not to challenge it in the sense that it can be reviewed and a recommendation made to the House of Commons that it be set aside. I think that is right.

I think that the purpose of the scrutiny committee is not to sit in appeal on the governor in council but to review the instruments, to see whether they conform to the legislation, to see whether they are retroactive in effect; and also they have one particular power, to see whether unexpected or unusual use is being made of the power given. We can only flag it as it goes past, whereas the right a negative resolution gives to the House of Commons, as it ought in matters of this kind, is the right to say that the basis upon which this decision was made was a wrong basis, that it was based on wrong facts, thinking, and assumptions, and that therefore the House, sitting in review by the process triggered off by the negative resolution, has the right to say it will set it aside.

As a matter of practical fact the minister knows, sitting as he does with the majority—I will be kind and not say anything about the quality of the majority—that this House will certainly not set aside the orders in council. But there would be the opportunity for a full, fair, and uninhibited debate so that we can bring to the attention of the country the basis upon which this is done.

I should like to go back to the issue which I raised at the beginning. We are living in a pluralistic society. There are many groups of people with vested interests, and there will be many classes of people in the days ahead who will have occasion to seek from the minister the right to have themselves established as a class suitable for rebate of this tax, and to make other applications. The minister may deal with them as he sees fit on the advice of his officials, and this will be a decision by a government representing 30 per cent of the people eligible to vote, as against the opposition representing almost 40 per cent of people eligible to vote.

While the rules of the game are what they are and the government is formed on the basis of those rules, and while it is true that with regard to legislation we have a chance to debate bills, and occasionally to have a debate that lasts a little longer than normal, such as this one, and we can bring to the attention of the public the defects in the legislation, when it comes to statutory instruments that right does not exist. Statutory instruments, as I indicated before, and statistically it can be established, are the legal documents which affect, more than any bill or any other form of law, the rights of the people in this country.

There is no certainty about the tax bill now; it is wide open to being altered in respect of rebates. I suggest that under those conditions the minister should have a conference with the President of the Privy Council and take advantage of the very generous offer I made to him to work out a settlement along the lines I outlined.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I admit that I had hoped, when I called it six o'clock at about five minutes to six, that the minister would take the

two intervening hours to consider the matter and would come back prepared to agree to the amendment proposed by the hon. member for Peace River. I regret that his statement tonight, although it was put forward rather timidly, did not seem to represent agreement.

● (2020)

The hon. member for Peace River has stated the case exceedingly well. There is no need for me to spin it out, but I would like to do my best to set aside the argument of the minister that this arrangement leaves the government in an uncertain position with respect to tax law. If the hon. member for Peace River were proposing that these orders in council had to be subject to an affirmative resolution, that of course would put the government in a position of not being able to put its orders into effect, but under the provisions of the negative resolution an order in council goes into effect immediately and is set aside only if a majority in parliament votes that it should be nullified.

As the hon. member for Peace River has pointed out, in this parliament the government has a majority which seems to sustain it every time. Even in other kinds of parliaments governments have to present their tax measures on the basis that they will be able to win support. I submit that the chances of our upsetting one of these orders in council by virtue of using the negative resolution process are slim, but the effect could be very salutary, and I suggest that is the whole purpose of the proposal of the hon. member for Peace River. If the minister knows that an order in council which he passes under this legislation is subject to a negative resolution, he will be that much more careful to draft the kind of order which the opposition will not even try to subject to a negative resolution, and one which would carry the government's way even if we did try it. So I submit that the minister's argument about the uncertainty in which this process would leave the government does not carry very much weight.

As I said earlier—and the hon. member for Peace River has underlined it—it is nice to have these provisions for affirmative and negative resolutions, but it is a bit disappointing that when we come to a practical case where it would be very useful, the minister gives an answer which is stated very nicely and very respectfully, but which adds up to one big no. I still think that further consideration should be given to this matter along the lines urged by the hon. member for Peace River.

Mr. Baldwin: Because of what I said before supper, I would like to point out for the record that I have examined the letter from the Privy Council office, and I was incorrect. This proposal is one which is subject to review by the committee and to scrutiny by the committee. I do not think it will do any harm to refer to this letter in the presence of the President of the Privy Council, who has some measure of authority there. I want to say that I have a letter in my hand from Mr. McIntosh, director of legal services to the Privy Council, who doubles in brass and who is also connected with the Minister of Justice. It is from his pen that I learned of this most extraordinary interpretation of a statutory instrument or an order in council which is subject to scrutiny and one which is not subject to scrutiny.

It is in this simple distinction that if this bill were to say that the government may exempt certain classes of people from payment of this tax, that is not a statutory instrument which is liable for scrutiny by the committee or which needs to be published, but if the bill says the governor in council may by order direct that certain classes of people are subject to being exempt from payment of this tax, it then becomes a statutory instrument which is liable to study.

In this bill alone there are two or three instances where a form is used which takes the proposal outside of the definition, and as such it is not liable to be published or liable to be scrutinized, and this is my anxiety. Where this House passes a statute, the Statutory Instruments Act, which from the course of the debate—and I was reviewing the debates the other day—made it abundantly plain that we wanted to have in our hands the right to review through a scrutiny committee, and the right to insist upon publication of orders in council and directives which deal with the lives or the property of persons, but now we find that by a simple interpretation taken unilaterally by the Privy Council officials on their own, they have in fact cut in half the cases which can be reviewed and taken to themselves the right to so word an order in council that it is removed entirely from the scope of study by this House, this is the sort of thing which is going to lead to difficulty. This is why I think that hopefully some time this fall the committee will bring in a recommendation so that we can debate it in the House. But it is because of these kinds of things, and because of the arbitrary right which government officials have seized, of saying what is and what is not a statutory instrument and so ordering by the form of construction of the words used as to leave it outside the ambit of consideration by this House, that I worry about tax measures.

I worry about measures which give the government the right on its own volition to exempt certain additional classes from the payment of these rebates, and the government will have its way if the minister is determined.

Ultimately the government will have its way on this and the other two or three amendments I will be moving, but I want to caution the government that the attitude it is taking is very serious. It is in defiance of the laws of propriety and of free government, and I do not think it is a very good thing for the democratic process in this country.

Some hon. Members: Hear, hear!

Mr. McKinnon: Mr. Chairman, I take it that this marks the end of the discussion on the amendment of the hon. member for Peace River. I do not wish to speak on that amendment.

The Deputy Chairman: I remind the hon. member for Victoria that the amendment has not yet been disposed of by the committee. Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: The amendment is in the name of the hon. member for Peace River.

Some hon. Members: Out, get out.

Some hon. Members: Oh, oh!

Mr. Lefebvre: Mr. Chairman, has the question already been put?

The Deputy Chairman: Order, please. Earlier in the sittings of the committee the Chair made it perfectly clear that Standing Order 12(2) makes it plain to all hon. members that when the question is being put, no member shall enter or walk out of the chamber.

Some hon. Members: Hear, hear!

● (2030)

Amendment (Mr. Baldwin) negatived: yeas, 29; nays, 46.

The Deputy Chairman: I declare the motion negatived. Shall clause 5, as amended, carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise for the purpose of moving the amendment which I suggested when we were at an earlier stage. In fact, I almost reached the point of moving it as a subamendment to the minister's amendment to clause 5, but I was persuaded to wait until we had disposed of that and also until we had disposed of the amendment that has just now been defeated.

My proposed amendment relates to one of the most serious and most offensive features of this bill. I refer to the fact that although this bill, in providing for the ten cent tax on gasoline, does provide for some exemptions—

An hon. Member: You finally figured that out.

The Deputy Chairman: Order, please. The hon. member for Winnipeg North Centre has the floor.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I was pointing out that this bill provides for certain persons to be exempt from paying the ten cent tax on gasoline provided in this legislation, but my amendment relates to people who do not get that exemption. I refer to workers who have to use their automobiles to get to and from their place of employment. The fact that this is perhaps the most offensive part of this bill has been demonstrated by the many speeches made on this aspect of the matter, both on second reading and during debate on clause 1 of the bill.

The minister admits that a very large number of persons will be exempted from paying the tax or will be given the privilege of applying for and receiving a rebate. He steadfastly refuses, however, to cover those workers on wages and salaries who have to use their cars to get to their place of employment. It is my contention, therefore, that we should now exercise our rights in committee to move for a reduction in the burden or the effect of a tax. I suspect that the Minister of Finance may hope—

Some hon. Members: Order, order!

Mr. Rodriguez: The Liberals will stay here another week.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I do not mind shouting over other voices but I am not making this speech just for the fun of it; I am making it because I think at this point we are dealing with one of the most serious aspects of this bill.

[The Deputy Chairman.]

I was about to point out that under the rules of the House when a tax measure is before us we have the right to make amendments that will reduce the tax or lessen the burden of that tax on certain groups of people. We do not have the right to increase the tax; neither do we have the right to transfer a tax from one group of persons to another. The right we do have has already been demonstrated by the amendment proposed the other day by the hon. member for Red Deer who sought to change the definition of gasoline so that gasoline which is coloured or dyed would not be subject to tax.

I now wish to move another amendment to clause 5 which will have the effect of increasing the number of persons to whom the ten cent tax will not apply. Since it is a reduction in a tax which the minister seeks to impose, I contend I am within my rights as a private member of this House to move:

That clause 5, as amended, be amended by adding to subclause (c) immediately after the word "purposes", the following words:

"or for the purpose of getting to and from his place of employment,"

Mr. Chairman, the subclause (c) to which I refer in my amendment is, of course, the subclause (c) in clause 5 as amended. If hon. members are looking at the reprinted bill the wording is, of course, the wording of subclause (b) and therefore the new subclause (c), if my amendment were added to it, would read as follows:

(c) a person for commercial or business purposes, or for the purpose of getting to and from his place of employment,

In other words, just as there would be an exemption provided by the minister for a person engaged in commercial or business operations, so there would be an exemption for a person who needed to use his car for the purpose of getting to or from his place of employment.

Mr. Chairman, if the minister says that definition is not as precise as he might like it to be, I remind him that his definition in what is now subclause (c) is not precise. It reads simply:

(c) a person for commercial or business purposes,

He has covered that by subclause (3) on page 3, however, which reads:

(3) For the purposes of subsection (1), the expression "commercial or business purposes" shall have such meaning as the Governor in Council may determine by regulation.

If my amendment to clause 5, as amended, is carried I would then move a consequential amendment when we get to the next page, that subclause (3) be altered to read:

(3) For the purposes of subsection (1), the expression "commercial or business purposes" and the expression "getting to and from his place of employment" shall have such meaning as the Governor in Council may determine, by regulation.

In other words, if there are questions as to what portion of the gasoline a worker uses is to be exempted, it should be dealt with in the same way the minister has decided to deal with doctors, lawyers and the rest. The government has made a provision whereby it is going to have the right to decide by order in council as to what is meant by "commercial or business purposes". Much as I do not like to give the governor in council the power to do so, I am

prepared to let the governor in council do the same thing for workers and determine what it means to use a car to get to and from a place of employment.

● (2040)

Therefore, Mr. Chairman, I place this amendment before the committee. It deals, as I have already said, with the most offensive part of the bill. I strongly urge the minister to consider it favorably. He has already exempted a great many persons from paying the tax by making it possible for them to get rebates. In fairness and in justice, he should go this step further and make the exemption from this tax available to persons who have to use their cars for the purpose of getting to work. I am not asking for pleasure travel or for all the other uses ordinary people make of their cars to be exempted, but surely this is something that is fair and just and ought to appeal to the sense of fairness and justice that I trust the minister possesses.

I should like to anticipate another argument that might arise by suggesting that in procedural terms it is similar to the amendment moved the other day by the hon. member for Red Deer. It is a reduction of the tax. It is less than is asked for in the ways and means motion and, therefore, is in order. I trust that the committee, with a sense of fair play and a sense of regard for the rights of hundreds of thousands of workers in this country who have to use their cars to get to work, will accept this amendment.

Some hon. Members: Hear, hear!

The Deputy Chairman: Before putting the amendment, I would point out to the committee that from a point of procedural purity, it is somewhat irregular to reach back into an amended clause. However, the Chair has been advised that, prior to the time the minister moved his amendment, the hon. member for Winnipeg North Centre indicated he would have a further amendment. That being done with the agreement of the committee, the Chair will rule that the amendment is in order.

Is the committee ready for the question?

Mr. Peters: Mr. Chairman, I certainly hope the minister will accept this amendment. It has been pointed out by a number of members in this debate that one of the unfortunate factors is that workers in many parts of Canada are not served by public transportation. They do not use their cars for luxury purposes, but in order to maintain employment.

If this amendment is not accepted, there will be an odd situation in my area. Mr. Chairman, there seems to be a lot of people here who are not interested in the ordinary workers in Canada. If they are only here for the purpose of a vote, they should step behind the curtain for a few minutes because there are a few members interested in the working people.

Some hon. Members: Oh, oh!

Mr. Peters: My friend may not have workers in his constituency. They may all be very rich. Of course, he represents an area in Montreal where the federal government is assisting in public transportation to a great degree. However, I hope he will keep quiet while we make representations on behalf of other areas of Canada which do not fit into that category.

Some hon. Members: Hear, hear!

Mr. Peters: I wish to give an example of what happens in my area. A contractor in New Liskeard who works in the Sherman mine in Timagami, 60 miles away, who uses his truck to transport his employees would be able to apply for a rebate for his transportation costs. Many other workers in the mine must drive their own vehicles because there is no public transportation. They would be penalized. A normal vehicle gets about 20 miles to the gallon. This means that for the 120 mile trip, the extra cost would be 60 cents.

The minister said he did not want the commercial entreprises attaching the increased cost to the price of the end product. I suggest that no matter how it is done, it will be attached to the price of the end product because the workers will demand a transportation grant from their employer. This is a hardship they had not anticipated and which their wages will not cover. I suggest the minister is much better protected in this clause than in any other.

A private businessman, company, farmer or fisherman will make the declaration without any supporting evidence. It would not be difficult for the Minister of National Revenue to ask a company employing such a person as I have mentioned submit additional evidence to support the application for rebate. This is not possible in any of the other categories. I hope the minister will give some consideration to giving these workers parity with contractors as they work in exactly the same place and travel the same distance. However, they are not self-employed in the sense of being contractors rather than employees.

For years I worked in the mining field. There were segments of the underground employment, particularly shaftmen and sometimes driftmen, who were in effect operating on a private contract. In my opinion, they were doing the same work as some of the employees of the mine. These men worked on a contract basis rather than being permanently employed. I suggest that the clause as presently worded is very unfair. Those who live in downtown Montreal or Toronto have an alternative mode of transportation. In fact, it would be to everyone's advantage if they did not drive their cars to work. They should all be using public transportation. If they did that, this would also reduce the cost of public transportation. I submit that increased public transport facilities will induce more people to use the service. We want to see increased service provided in northern Ontario, but we realize that it will not come about for many years.

● (2050)

Those who are employed in the remoter areas of Canada must often travel considerable distances to work. Perhaps the Minister of Finance knows that people no longer live on mining properties. Ontario passed a good law prohibiting the existence of townsites on mining properties. I think there are no more company towns on minesites, at least in Ontario. Services and facilities are now provided in areas some distance away from mines. I am thinking of the Kirkland Lake Community, and of other, similar com-

munities. The people who work in the mines no longer live on the minesite.

The point is this. These people must be induced to work. Although they do not want to go on the unemployment insurance rolls, the minister will find that if these people must spend too much of their income to drive to and from work, it will not be worth their while working in the mines and they will seek alternative means of employment or assistance. You cannot expect a man to drive 60 or 70 miles a day to work, unless he is compensated for his expense.

I sincerely believe that the proposed amendment will make the supervision of this measure easier. It will also make it easier to police the exemptions to be granted under this legislation.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, you have already ruled on the hon. member's amendment, although I wanted to reserve our right to challenge it procedurally. We will reserve our rights. I suggest that the amendment would tend to reduce the imposition of the tax, or the ambit of the tax and, conversely, decrease the effect of the ways and means motion.

Mr. Knowles (Winnipeg North Centre): We have gone through that argument for about five years.

Mr. Turner (Ottawa-Carleton): May I deal with the matter on its merits. Many speeches have been made concerning the imposition of the excise tax, and its unfairness to those who do not have available other means of transportation. I am sure hon. members opposite are aware that the purpose of this special excise tax on gasoline is to cover the deficit on oil account.

An hon. Member: On the backs of the poor.

Mr. Turner (Ottawa-Carleton): The purpose is to preserve a single, national price for oil in this country.

An hon. Member: At what cost?

Mr. Turner (Ottawa-Carleton): Therefore, we wish somewhat to curtail personal consumption and are imposing a tax in order to preserve the price for oil used for homeheating, industry and by farmers and fishermen at two-thirds of the world price. That is the purpose of the tax.

Mr. Clark (Rocky Mountain): That's a lot of nonsense.

Mr. Turner (Ottawa-Carleton): It is also designed to discourage gasoline consumption when an automobile is used for personal rather than business use. Under the terms of the tax, personal use includes using an automobile to get to work. In this respect, the special excise tax parallels the provisions of the Income Tax Act which does not allow the deduction of expenses incurred to get from one's home to one's place of business.

Mr. Clark (Rocky Mountain): That is wrong, too.

Mr. Turner (Ottawa-Carleton): That is not wrong, and it applies to anyone, whether he be a doctor, lawyer or clergyman.

An hon. Member: Then the law is an ass.

[Mr. Peters.]

Mr. Turner (Ottawa-Carleton): This rule of non-deductibility in the Income Tax Act has been a fundamental principle of that act for several decades. It must be recognized that every person who works must get from his place of residence to his place of business. We understand that. But, to give a deduction of the expense of getting to work would be to give a tax subsidy to those who choose to drive rather than take public transit—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —to those who choose to live far from their place of work, rather than close, and to those who choose to drive a large automobile rather than to those who drive a small one.

Mr. Clark (Rocky Mountain): Nonsense.

Mr. Turner (Ottawa-Carleton): Given that every worker has the expense of getting to work—

Mr. Clark (Rocky Mountain): That, too, is nonsense.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I understand hon. members opposite were concerned about not being given a fair hearing. Perhaps we could have a reciprocal understanding, and perhaps hon. members will allow me to say what I must say.

Given that every worker has the expense of getting to work, it has always been recognized that the disallowance of these expenses is the most equitable way to deal with the considerable disparities in the amount of expenses incurred. This is undoubtedly more equitable than permitting a deduction which would vary appreciably as between taxpayers, and offsetting the substantial revenue loss by a general tax increase.

As I said earlier in this debate, because the energy shortage arose we were compelled to raise the price of oil and gas. We were compelled to finance the deficit in the oil account in order to preserve a single, national price for oil. This being so all Canadians, each one of us, must understand that, to a certain extent, we must change our lifestyles; to a certain extent we must curtail our use of transportation; to a certain extent we must use public transportation and, to a certain extent, resort more to using car pools and other ways of saving energy. If we do not do this the ten-cents tax will be minimal compared to what this country will have to do in order to become, self-sufficient in oil and gas.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I do not deny for a minute that there will be cases of hardship. Unfortunately, there is no equitable way to cope with these situations which is administratively feasible. If the government were to allow a rebate of the special excise tax, it would be virtually impossible to ensure the extent to which individual claimants actually utilized their cars to get to work. Somebody, or more likely, a large group of people, would have to be employed doing nothing but determining whether public transportation is available from any particular residence to a particular place of work. To give a

blanket exemption to anyone who makes the claim would be to defeat the whole energy conservation purpose of their particular bill. We should not be able to raise the necessary revenue for preserving a single national oil price and for preserving a lower price for home heating oil, and a lower price for oil used by farmers, fishermen and by industries and manufacturing businesses in this country.

Mr. Peters: Yes, and you are doing it on the backs of the workers.

Mr. Turner (Ottawa-Carleton): There is nothing within the ambit of this special excise tax on gasoline which has not been present for 25 years or more in provisions governing deductibility under the Income Tax Act.

An hon. Member. Those were 25 Liberal years.

Mr. Turner (Ottawa-Carleton): I am explaining the reasons for this tax. I know there will be cases of hardship, but if we did this another way, the administrative problems would well nigh be insoluble. That is why we have chosen the present course. Unless we pay these increases now, every Canadian will need to bear a far sharper burden in the years ahead.

Mr. Broadbent: Mr. Chairman, I thank the Minister of Finance for taking the trouble to reply seriously to the proposal of the hon. member for Winnipeg North Centre. I give him credit for not ignoring serious arguments and for putting forward what he believes to be a serious recommendation. Having made that point, I do not agree in the slightest with what the minister said.

● (2100)

Some hon. Members: Oh, oh!

Mr. Broadbent: I appeal to all the yelping voices in the backbenches to consider the arguments one by one. The minister says he must raise revenue, that there is a shortage of money due to the gap between the export tax revenue and the price we pay for imported oil off the east coast. I am sure no member on either side of the House will deny that additional revenue has to be raised, so one can write off the first third of the minister's speech by saying that no one disagrees with that argument. But that is not the point, if I may say so. The point is, how do we raise the additional revenue? That is the crucial issue and I will come to it in a minute. I do not take his first point seriously because no one disputes that the revenue is needed.

The second point the minister made was that the present law allows no one, not even a doctor or a lawyer, to claim expenses when going to or coming from work. So there is no argument there. But what we on this side of the House, and I presume the members of the Conservative party, whom I trust will support the amendment, are saying is that the means of raising this revenue by this kind of tax, as opposed to collecting it out of income tax and corporation tax revenue, discriminates unfairly against people of average or low income who have to use their automobiles to go to work because no alternative is open to them. Our point is that if the revenue is collected from general revenue, these people will pay on a progressive basis. We are telling them that they will pay the same as a doctor or lawyer, whether their income be $5,000 of $50,000 a year, but it will be based on ability to pay, not on a flat rate of usage of gasoline. At present it is a regressive form of taxation.

From that we conclude that if it is possible administratively to exempt from the tax workers who have no choice but to use their automobiles to go to work, then all workers in that category should be exempted and the shortfall should be made up out of the general revenue.

The minister has said that this would be administratively difficult. Perhaps he went even further and said it would be administratively impossible. I agree with the first but not with the second. For example, a worker like a logger, or a skilled tradesman, might have to travel to many construction projects some distance away from his home. Therefore, arbitrarily you say that workers such as loggers, skilled tradesmen, longshoremen, people in mining communities and so on are exempt from the tax because they have to drive to and from their place of work each day.

On the other hand, if there is in existence an adequate public transportation system in a city in Canada to which substantial numbers of working people could turn as a realistic alternative, then these people would not be exempt from the tax. The minister talks about changing lifestyles, and I suggest it would be a considerable change indeed, because at the present time these people would have to walk to work. Someone living in Scarborough would have to walk to downtown Toronto because there is no public transportation facility in that area. The same holds true of every urban community across the country. So I say to the minister quite flatly that he is talking nonsense.

There just is no possibility of a change in lifestyle for 90 per cent of the Canadian people at least for the next decade, because public transportation facilities do not exist. I suggest that to speak of conservation by encouraging people to stop using their automobiles, when no realistic alternative is available to them, is either hypocrisy or intellectual nonsense.

Let me return to the practical problem here. The minister has a reasonably competent civil servant sitting in front of him at the moment. Why not let him draw up a set of regulations for certain categories of workers, 90 per cent of whom, because they are lawyers, skilled tradesmen, longshoremen or miners, have to go to work by automobile, and work out a reasonable average drive to and from work, and put a ceiling on the amount of exemption. If there is a city in Canada with a public transportation system that can accommodate workers so they can leave their automobiles at home, then those workers would receive no exemption at all. But I would love to hear the minister tell me which city in Canada meets that test.

I conclude by saying that I strongly support the amendment proposed by the hon. member for Winnipeg North Centre because it goes to the heart of what most of us have objected to in this bill, namely, that the bill puts an unfair burden in raising this revenue upon the average and low income workers who must use their automobiles to go to work. No glossy reasoning by the minister, or superficial

pronouncements about changing lifestyles, can disguise that reality.

Mr. Anderson: Mr. Chairman, on a point of order, I should like to correct a mistake on the part of the hon. member for Oshawa-Whitby which was quite unintentional. He referred to loggers and their method of getting to work. Loggers use logging crummies to get to work in most instances.

[*Translation*]

Mr. Allard: Mr. Chairman, many things have been said about Bill C-66. I would like at this time to point out to the government that, under the pretext of conserving gasoline, it is attacking those who do not have the means to pay for the orchestra that the government wants to hire. I shall be happy to support this evening the motion of the hon. member for Winnipeg North Centre (Mr. Knowles). However I deplore the fact that like the hon. member, I have many constituents who must drive to work. They do not have any choice. With public transport, the distance that they must cover does not allow them to use another means of transport to get to work.

This is why I would have liked the hon. member for Winnipeg North Centre to include in his sub-amendment the provision that a worker who must use his car should be authorized to deduct the 10 per cent tax that he must pay on gasoline. I had prepared a motion, and if I am allowed to do so, I shall read it:

That Clause 5 be amended by adding, after subclause (g), subclause (h) which would read as follows:

a worker who must travel a minimum of twenty-five (25) miles a week in his own car to reach his place of employment.

When we talk about public transportation, we are talking about a service which is also aimed at urban dwellers. It is more to the advantage of a man who simply has to travel three, four or five miles to use a public transport system instead of his car. On the other hand there are many areas where public transport is not provided for every one. This is why I believe it would be fairer and certainly more honest to allow every worker who must use his car to reach his place of employment to claim the same rebate as companies and other individuals for transportation costs.

Now, that is why I am happy to express agreement with the hon. member for Winnipeg North Centre in this regard. I congratulate him for having introduced a motion intended to help those who might find the "medicine" too hard to swallow. That is why I should like, if my motion cannot be accepted, a minimum distance to be incorporated into the motion of the hon. member to allow those who have three, four or five miles to drive every day, five days a week, in other words about 25 miles, to be covered by his motion.

● (2110)

[*English*]

The Assistant Deputy Chairman: Order, please. The Chair must advise the hon. member for Rimouski that there is already an amendment before the committee. Therefore the amendment he proposes will have to come at a later stage in the debate.

[Mr. Broadbent.]

Mr. Benjamin: Mr. Chairman, I want to say to the hon. member for Rimouski that I sympathize very much with his attempt to move a sub-amendment. You have ruled that he would have to move it at a later stage. I assume he would have to move it if this amendment is adopted. Let me say that this is an honest and sincere attempt by the hon. member for Rimouski to add some credibility to the amendment moved by the hon. member for Winnipeg North Centre. If it did nothing else, it would relieve the Minister of Finance of some of his ill-founded worries about such a motion being accepted.

The hon. member for Oshawa-Whitby has already pointed out that one of the main arguments we have about this legislation is that it requires the people who can least afford it to pay the overwhelming portion of this $350 million for part of 1975 and something over $500 million in 1976. It places the burden of raising most of that money upon the working people, the pensioners, the handicapped and the people who drive for pleasure.

The minister has said that he is attempting to get most of the money from those who consume gasoline for pleasure driving, when in fact a large portion of it will be received from the people who have no alternative but to use their cars to get to and from work. If the minister could sort out and identify every gallon of gasoline that is used for pleasure there would be some validity to his argument and to this kind of legislation. He cannot do that. As a consequence, he places the burden of raising most of this money on those who can least afford to carry the burden because they have no alternative means of transportation.

Workers are entitled automatically to deduct $150 from income tax as the cost of tools or other things required in their employment. That is a recent measure, adopted some four or five years ago. The effect of this legislation on the workers in the city of Regina, let alone those who work in remote areas, will be to take back more than any benefit they receive from the $150 deduction as expenses in respect of tools or other various things. This more than offsets whatever tax benefit they might get from that $150 deduction. If they were in the 25 per cent bracket they might benefit to the extent of $35 or $40. Through this bill the minister will more than take away that benefit because these workers will have to pay that 10-cent tax on the gasoline they use in driving to and from their work.

There are steelworkers in the city of Regina who work for the Interprovincial Steel Company and drive between 4,500 and 7,500 miles a year to and from work. I would ask my hon. friends to compute that at 10 cents a gallon, 16 miles per gallon. The minister will not only take back any tax benefit these people might gain from the $150 deduction to cover the cost of tools and so on, but he will also take back the entire $100 tax credit to which people have been entitled in the past year or so as a result of recent budgetary measures. The fact is that as a result of paying the additional 10 cents per gallon for the gas used to drive to and from work, these people will not only lose the meagre benefits they have received as a result of tax legislation in the last two or three years, they will be paying a large proportion of the revenue the Minister of Finance says he needs for equalization of oil prices.

When the hon. member for Timiskaming said it would be nice if the workers could use other modes of transportation, hon. members on the other side applauded by pounding their desks. I would ask those hon. members opposite what happened to the promises of a year ago July? What is more significant, if they agree that this tax should apply fairly and that the way this tax is applied most of it will be paid by those who can least afford to pay it, then where were they when they should have been persuading the Minister of Finance and other members of the cabinet that this was an unfair application of tax? If they had done their jobs, then this bloody kind of bill would never have been before us. If there had been any Liberal backbencher worth his salt this bill would not be before the House now, or such a member would vote against it.

Some hon. Members: Oh, oh!

Mr. Benjamin: They can sit there like sheep and bleat, but they had their chance when the government was drafting this legislation. They had their chance when it was discussed in their caucus. They had their chance to persuade their cabinet ministers. The minister says this legislation is designed to discourage the use of the automobile and the consumption of gasoline. It will not do that. The minister knows full well that this legislation is put forward for one reason only, that is, to raise revenue. The argument is that he is raising revenue off the backs of the working people.

● (2120)

An hon. Member: Humbug!

Mr. Benjamin: The hon. member can holler humbug. I would like him to come out to the IPSCO plant some morning next week; I am sure the boys there would like to hear him talk humbug—

An hon. Member: Let us go now.

Mr. Benjamin: —especially the ones who travel 15 to 20 miles a day going to and from work. The minister made his point in his remarks that professionals may not get a rebate for driving to and from work, and in the next breath spoke about the administrative impossibility of accepting the amendment of the hon. member for Winnipeg North Centre.

I should like to ask the minister about policing the Department of National Revenue with respect to the expense accounts claimed by professionals to see whether the expenses they claim from their income tax for the use of their private automobiles are deductible, whether it is for two-thirds or for their entire use. I should like to find out from the Minister of Finance whether the Department of National Revenue has decided how much is deductible for driving to and from work.

I doubt if I will get an argument from the Minister of National Revenue when I say that I have yet to find a professional whose deductions for income tax purposes for driving to and from work were not accepted by the Department of National Revenue. It never happens. I also suggest that whatever portion of those expenses they will be able to claim for purposes of a rebate they will get under this legislation. If the Minister of Finance thinks that his colleague, the Minister of National Revenue, will have people running around checking on every doctor, lawyer, chartered accountant, or civil engineer to see how many miles they travel going to and from work, he is kidding himself.

The minister says that the bill is here because of the energy shortage. He says we will have to change our lifestyles, we will have to use car pools or use some other means of transportation. I would like to see the Minister of Finance and his colleagues change their lifestyle. How would it be if the 30 Cabinet ministers used only ten cars to transport them every morning to the hill? I wonder how many Cabinet ministers, parliamentary secretaries, or members of parliament are prepared to use a car pool every day. I would like to see a genuine effort by hon. members opposite to change their lifestyle.

If this legislation is fair and logical, when the minister says people will have to change their lifestyles to some extent, I presume he means everybody, not just wage and salary earners, and I presume that tomorrow morning the Minister of Finance will either walk, take a bicycle, or come in a car with two other ministers when he comes to the House of Commons.

He also says that to some extent we should use some other means of transportation. That point has been dealt with very effectively by a large number of members ever since the bill was introduced, including two or three members on the government side. I must say one thing for the minister, he has a lot of nerve. He rises and repeats the same argument about taking some other means, but in his budget he stated that one of the departments which will have cut backs in its funding will be the Ministry of Transport. If the minister expects us to swallow, whether we agree or not, and accept a piece of legislation like that with those kinds of arguments, then he is really expecting too much.

The minister says there is no way in which the amendment of the hon. member for Winnipeg North Centre could be equitably administered. What does he mean by that? In the first place, there is no equitable way in which this entire bill could be administered.

Mr. Symes: No honourable way.

Mr. Benjamin: So much is unfair and intrinsically unjust in the bill that the amendment of the hon. member for Winnipeg North Centre, even if the minister were partly right, would at least bring more equity into its administration. Even if some workers were to receive rebates for a few miles which they did not drive to and from work, that would be a much lesser evil, it seems to me, than all the unfairness and inequity that is in the legislation in the first place.

The Minister of Finance has many other ways to raise $350 million in 1975 and the $500 million plus in 1976 which would have some relationship to the ability to pay which applies to the greatest part of the population. Instead, he chooses a regressive measure which places most of the burden on those who have the least ability to pay, and he provides an exemption so that the rebates or deductions for income tax purposes go to those who are best able to pay, that is, the highest income people, the professionals and the businessmen.

I talked to some farmers in Regina-Lake Centre over the weekend. They know they can deduct for income tax purposes expenditures on gasoline and farm fuels. If they had an automobile, after taking away depreciation on the car and the cost of gasoline for personal use, they could deduct the expense from their income tax. Farmers do not ask for more than other citizens get.

When the minister puts up the argument that if you apply a tax of ten cents a gallon across the board it would cause an increase in farm prices and therefore an increase in consumer costs, let me remind him of what I suggested to him this afternoon, namely, that it would be more equitable and fair if he applied a tax of three cents a gallon across the board to everyone, including farmers, and this would have less impact on the cost of living than the present legislation.

The farmer who had to pay an additional three cents would deduct the portion he is allowed as an expense from his income tax, the same as he has always been able to do. The same would be the case with the businessmen, the commercial traveller, and the professional. But applying it across the board would mean that those who are in the higher income bracket and who consume the most gasoline would pay the highest tax. Even when you apply this to the senior citizen, it may only amount to $1, $2 or $3 a month at the most in extra gasoline tax, but that wipes out the $2.30 cost of living escalator that will be in effect as of April 1 on the old age pension. It will wipe out the entire amount for many of them. Perhaps once a month they drive out to visit a son or daughter on the farm or in a neighbouring town. Whatever minimal amount they drive, the expense bears heavier on them than on the professional person, the wage earner, or the farmer who paid three or four cents per gallon right across the board.

● (2130)

Surely every reason put forward by the Minister of Finance falls flat on its face when it comes to the practical application and the administration of this bill, and when it comes to being fair. When it comes to the people who pay this money, they will be the least able to pay. Surely the amendment of the hon. member for Winnipeg North Centre lends a much greater measure of fairness and equity than the way the bill presently stands. Surely that is apparent and should not need to be argued.

I hope the minister will reconsider. He says we need the money, and he has been saying that since budget night, but why does he have to take most of it from workers and pensioners? What kind of philosophy or principle of so-called "Liberalism dictates that that method must be used? Many hon. members delight in saying that they have just as many workers in their constituency as I or anyone else, and that they will not take a back seat to us in sticking up for workers. I would like to know why they would not agree with an amendment which applies the same treatment for workers as it does for professionals, business people, and people in other occupations provided for in the legislation.

The legislation will exempt or provide some measure of relief for the well-to-do in addition to those who will be able to apply for a rebate. Those people are able to make deductions for some portion of their expenses for income tax purposes. Many of those professionals and businessmen will recover that gasoline tax twice, in two ways, first by the normal expense deductions for income tax purposes, and secondly, by whatever amount of rebate for which they are eligible.

However, the wage and salary earner driving to and from work is not only not eligible for a rebate, but what he will pay in additional gasoline tax will take away any tax benefit from the $150 credit, which many Liberals have bragged about since it was brought in a few years ago. He will also lose the $100 tax credit—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Hear, hear!

Mr. Benjamin: I will be up again.

Mr. Clark (Rocky Mountain): Madam Chairman, I do not intend to take very long in supporting the amendment of the hon. member for Winnipeg North Centre. I simply want to say that if the government is serious about conservation and restraint, it may wish to set an example by using the tax system to give the ministers a car pool instead of a swimming pool.

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): The Minister of Finance has stood up to defend a tax system which means car pools for the people and swimming pools for the Prime Minister, and that is a most inequitable system. In the minister's prepared and programmed response to the amendment proposed by the hon. member for Winnipeg North Centre he put forward a strong case which deliberately ignored the fundamental inequity in the tax which he and his colleagues are proposing. It is an inequity which protects the privileged and works hardships on people who are of low income or who happen to live in some of the distant regions of the country. If the government rejects this attempt to make the bill fair, it will stand as a deliberate unfair act against a group of people who have no option in transport and no adequate income to pay the extra shot which is imposed upon them by the Minister of Finance.

In his statement the minister defended this inequity by saying that a similar inequity already exists in the tax system. There is a refusal to recognize the unfair burden which is imposed upon people, particularly in remote or rural areas, who are forced to travel to work and who cannot claim that expense under the tax system, and who cannot now receive the rebate which will be available to the privileged, to doctors, lawyers, cabinet ministers, and perhaps even members of parliament.

He defends this new inequity because it compounds an old inequity, and that might be logic which recommends itself to the Minister of Finance, but I doubt very much if it will recommend itself to the residents of Vars, Navan, Orleans, or of the other communities of his own constituency who will have to pay the shot themselves when they drive to work, and it is certainly not going to satisfy the people of my constituency, or of the constituencies of others on both sides of this House who represent remote

areas and whose people are being forced to bear the burden of this unfair tax.

I see that the minister responsible for Parks Canada is in the House, and he knows that it is the deliberate policy of his department to force some of the people who live in my constituency, and who work in Banff or Jasper, to commute to work. They do not do so by choice. They do not have any other option. They are forced by government policy to commute, and they are forced to pay the extra ten cents tax in full unless they happen to be doctors, lawyers, or other members of some privileged group.

The point which the Minister of Finance seems determined to ignore is that this country extends beyond metropolitan centres where it might be possible to have some form of public transportation even though it is not there now. It is geographically not possible in the majority of the country. It is not possible in my constituency or the constituencies represented by many of the silent members on the government side where distances are great, where there are no alternative means, and therefore no option but to pay the ten cents Turner tax.

The last point I wish to make is that it is surely typical of the government in rejecting this amendment that it uses the argument that this amendment would make it complex for the government, when it knows its system would make things unfair for the citizen. In other words, the government is prepared to put up with unfairness for the citizen, but it is not prepared to put up with complexity for the government in its own administration. That indicates a government which has been too long preoccupied with its own internal problems and has ignored too long the problems which it creates and allows to persist for individual Canadians who happen to live outside whatever favoured circle happens to attract the attention of ministers.

It is an unfair and inequitable provision which is being put forward here. The hon. member for Winnipeg North Centre proposes to make it less unfair, and I sincerely hope that if the minister has any belief in what used to be called Liberalism he will reconsider his opposition to this amendment and reconsider this most inequitable, unfair tax.

Mr. Rodriguez: Madam Chairman, the amendment proposed by my colleague, the hon. member for Winnipeg North Centre, is very wise indeed. It has been the thrust of the debate of this party consistently on this bill. It was rather interesting to hear the Minister of Finance claim that he is attempting to change the lifestyle of the Canadian people. Whose lifestyle will be changed? The wealthy? That ten cents per gallon tax will not stop the rich from driving their limousines for pleasure. It will change the lifestyles of the low income earners. What are they going to get—a 6½ cents reduction on a bottle of wine. That is some change in their lifestyle—they can all stay home and drink themselves sick.

● (2140)

When the government calls on people to tighten their belts then they want to know what the government is doing. No minister drives a car that is under eight cylinders. They are just gasoline guzzlers. A car pool has been suggested for ministers. They could use smaller vehicles that give better mileage and that would be an important example of changing lifestyle. An hon. member asks if the Minister of Regional Economic Expansion could get into a Volkswagen. That is a good question.

The minister has allowed certain groups such as farmers, fishermen and people in commercial operations to claim the rebate. They can claim it because otherwise they would have to pass it on to the consumer and so prices would be pushed up. When we asked for a rebate for the workers, the minister said they should negotiate an increase in wages which would take the tax into consideration. If they did that, then their employers would be forced to pass the cost along. International Nickel would increase the price of nickel and copper, and that would go through the economy. This is an inflationary measure and the minister knows that full well.

The Minister says he wants to get people away from using their cars often and, in many cases, uselessly. One would assume that the government philosophy is to move people on public transit systems. I checked with CNR and there is not one passenger car on order by that state owned railway. The cars in use are decrepit and there is a move to eliminate passenger service. The minister admits that.

A parking lot costing $100 million is to be built at Terminal Two of Toronto airport. If the idea is to get people away from cars, why invest millions of dollars in a parking lot? Surely people could be moved from the city of Toronto out to the airport very quickly by public transit. There will be no hardship to the jet setters; they will go on enjoying the benefits of those who work to produce.

It is rather interesting to watch the push to put people on airplanes. It has been established that air travel of under 500 miles is not an economical proposition.

We have the Turbo train which runs from Montreal to Ottawa in about an hour or an hour and a half. Millions of dollars have been spent on the STOL airport—

Some hon. Members: Oh, oh!

An hon. Member: You are exaggerating.

Mr. Rodriguez: There are many remarks from the other side of the House. They say we in the opposition are trying to spoil their holidays by keeping them here, but this is an important point that is being debated. All they are prepared to do is holler when we are trying to make points.

The Assistant Deputy Chairman: Order, please. I must remind the hon. gentleman that Standing Order 55(2) states very clearly that speeches in committee of the whole must be strictly relevant to the matter under consideration.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Thank you, Madam Chairman, but unless you are prepared to keep order in this chamber I will divert to the other side of the chamber. I expect them to have order in the chamber and to listen to the points that are made. If they do not agree, they can speak against them.

Mr. Gauthier (Ottawa-Vanier): You sound like a fool.

Mr. Rodriguez: Madam Chairman, I was talking about conservation and the lack of continuity in the philosophy of the government. If the idea is to get people on to public transit systems then that technique must be developed throughout the departments of the government. The minister talks about changing the lifestyle of the Canadian people but does not provide them with the opportunity to change.

In my area many people drive 120 miles to work. It is fine to tell them to negotiate to cover the cost, but they had already signed a wages agreement prior to the budget. They are stuck for three years. These are not doctors who are self-employed and who can make changes to cover the increase in cost. There are women who work as waitresses for $2.50 an hour. They have to use the family car to go to work, and some have to pay a baby sitter. The employer refuses to pay more than the minimum wage, so they are locked in. Should we force them to go on the unemployment rolls, to face the bureaucratic giant of the Unemployment Insurance Commission, and then call them lazy because they cannot afford to work for the minimum wage? Surely it is not beyond the ability of the government to use the tax system in such a way that it brings equity to working people. My hon. friend says it is beyond their ability.

I have always considered the Minister of Finance a very capable person. Surely he could offer a viable alternative. A year ago on the campaign trail it would have been interesting if someone had asked if an excise tax on gasoline would be imposed to make up the shortfall on consumption in the east. If that question had been asked, I wonder whether it would have been answered. I dare say it would have been answered in such a way as to indicate that no tax would be imposed that would fall heavily on any one segment of the Canadian public. What is said when we are seeking votes is very different from what we actually put into effect.

● (2150)

The government can sit back now, three years before an election, and say, "If we have to do something that is distasteful, let's do it now so that people will forget about it by the time of the next election." I am not a cynical person, but I think that there will be a budget before the next election that will remove the ten cents excise tax. They will say they are removing it because they realize how unfair it was.

An hon. Member: Right on.

Mr. Rodriguez: A Liberal says "right on". That is the height of cynicism. They are already preparing for the next election by thinking of removing this excise tax.

[*Translation*]

Mr. Fox: Mr. Chairman, the hon. member is talking about past and future elections. They should talk about the bill before us!

[*English*]

Mr. Rodriguez: I am glad to see the hon. member identify himself. Now we know who was saying "right on". He has singled himself out.

There is another question. What if the differential keeps increasing and the ten cents a gallon excise tax is not enough to cover it? Do we have another bill to raise the excise tax by an additional eight cents a gallon? Is that the way the minister is suggesting we handle that kind of problem? I do not think that is the right way.

I made a suggestion earlier that those who can afford it should pay their fair share of the tax. I suggest that we tack on three cents on every dollar bet at race tracks in Canada. After all, race tracks are in urban centres. People use public transportation which the rest of the taxpayers have paid for, and on which they travel at an attractive rate to get to the race track. The Ontario Jockey Club races 265 days a year. With three cents added on to every dollar bet, $9 million could be raised from that one operation.

The Assistant Deputy Chairman: Order, please. The hon. member is again straying from the amendment. He should limit his remarks to the amendment.

Mr. Rodriguez: The hon. member's point in moving this amendment is that the tax is inequitable for workers who must use their cars to travel to and from their work. They are not doctors who can write this off as a legitimate expense. They have been doing that anyway under the income tax system.

What about the worker in Nickel Belt or in any other rural riding? I have workers in my constituency who must use their cars. There is no other way for them to travel from Noelville to Copper Cliff, a distance of 120 miles. This will mean another $250 in their budget.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Members opposite can shout all they like. The minister can come into my constituency and deliver the set speech he delivered this afternoon.

The amendment put forward by the hon. member for Winnipeg North Centre is very reasonable. It asks that the rebates be extended to those who must use their cars to travel to and from work. I do not refer to those who have a choice, but those who have no other way. If they do not use their car, they do not get to work.

Where is the public transit in northern Ontario? The people there have no choice. They cannot change their lifestyle. What lifestyle is there to change? They do not use their cars because they like driving 120 miles a day. That is no picnic. Now they will have this added burden. May I call it ten o'clock, Madam Speaker?

Mr. Sharp: Madam Chairman, I rise on a point of order. Before calling it ten o'clock I wonder if the members who I know are not carrying on a filibuster might just like to complete the Committee stage tonight. It would be a great convenience. It would enable the hon. members to express their point of view and would enable us to come to a decision on it more quickly than otherwise.

The Assistant Deputy Chairman: This can only be done with unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who said no?

Mr. Rodriguez: I said no.

The Assistant Deputy Chairman: Order, please. It is my duty to rise, report progress, and request leave to sit again at the next sitting of the House.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN ECONOMY—REASON FOR DELAY IN SETTING WAGE GUIDELINES

Mr. Sinclair Stevens (York-Simcoe): Madam Speaker, in the adjournment debate tonight I am referring to a question that was put by myself to the Minister of Finance (Mr. Turner) on April 8.

Before touching on the argument which I wish to raise tonight and which I hope will be responded to, I have to report on a question of privilege. A steering committee of the Standing Committee on Privileges and Elections has been absolutely frustrated by the action of certain members from the government benches who are on the steering committee. In short, we have held two meetings. At those meetings the steering committee has been consistently frustrated by government members with the result that the instructions to this committee to investigate the Montreal *Gazette* articles concerning the Parliamentary Secretary to the President of the Privy Council (Mr. Reid)—

Some hon. Members: Order.

● (2200)

The Acting Speaker (Mrs. Morin): Order, please. It seems to me that the hon. member was to raise a question on the Canadian economy.

Mr. Stevens: Madam Speaker, I wish to raise a question of personal privilege which involves the Minister of Finance.

The Acting Speaker (Mrs. Morin): Order, please. There cannot be any points of order or questions of privilege at this time. The hon. member for York Simcoe is recognized for the purpose of discussing his question on the Canadian economy.

Adjournment Debate

Mr. Stevens: Madam Speaker, may I serve notice of my intention to raise my question of privilege tomorrow.

On April 8 I directed two questions to the Minister of Finance, both dealing with unemployment and inflation in this country. I wanted to know what guidelines, if any, the minister proposed to introduce and wanted him to indicate to the country the degree of restraint which wage earners and other sectors of the economy ought to observe. Specifically, I asked the following question, as reported at page 4592 of *Hansard:*

> Further to my original question I should like to put a supplementary to the Minister of Finance. With time lost due to work stoppages in January up 64 per cent as compared with January of last year when Canada had one of the worst strike records in the industrialized world, would the minister tell us why it is only after May that he seriously intends to set guidelines for future wage settlements, bearing in mind that 1975 is a very heavy bargaining year during which just under three-quarters of all employees covered by major union contracts will be negotiating?

The minister replied: "I will deal with that statement at the appropriate time".

He has not dealt with that statement, even though the budget I referred it to in May was not introduced until June 23. The budget specifically avoided mentioning guidelines governing wages.

Second, I point out that for several months we heard vague suggestions about some type of consensus program which would apply to all sectors of the country, the government, the private sector, and labour unions. All sectors were to be asked to accept certain guidelines governing real growth in the economy and inflation. It is time this House knew exactly what the Minister of Finance intended to do on the matter of wage guidelines; what were his intentions with regard to the consensus program which, I suggest, has wrought damage in the nation. We have heard no concrete statements on these subjects. Only ten days ago, when I again questioned the minister on this subject, he again avoided giving a specific answer.

We do not know if he has relinquished his pursuit of consensus. Actually we are labouring under a disadvantage. The by-product of the so-called consensus program is probably greater inflation in this country. While all this has been happening, the Minister of Finance has consistently avoided his responsibilities, namely, of putting forward concrete proposals to the country on the subject of wage guidelines.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, one wonders how sincere is the hon. member. He used the late show to climb on his most recent and favourite hobby-horse. Although called to order three times, he persisted. One wonders how sincere he is. He is keeping the House sitting and the staff working while he climbs on this latest hobby-horse.

The minister had the opportunity at the conference of first ministers to discuss the problem of inflation and the search for a consensus on ways of dealing with it. He had put forward suggestions with regard to the basic principles which should guide the setting of wages, other incomes, and prices. The statement was tabled in the House. The hon. member now ought to be familiar with those proposals but he has ignored them, because they clearly spell out the minister's stance, the government's

position, and the direction in which the minister was heading.

Since the beginning of the exercise on consensus, we believed that if we were able to develop an agreement setting the right balance to be struck, it would be in the common interest of us all. We entered into these discussions with an open mind receptive to new ideas. We refused to be stampeded into rash and ill-considered action, and did not want any hard and fast agreement but one that would be fair to all and which would bring inflation down to acceptable levels.

Once again I commend a very careful reading of the speech on budget night, and I am more and more convinced that either the hon. member has not read it or he chose to put upon it the interpretation that suited his own argument. If I can give the hon. member one suggestion tonight, it would be that he carefully re-read the budget speech.

ENERGY—OIL—BASIS FOR CALCULATING LENGTH OF DELAY BEFORE INCREASING PRICE

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, on July 16 I asked the Minister of Energy, Mines and Resources (Mr. Macdonald) two questions relating to the oil price increase in Canada. The first was how he proposed to monitor the oil price increase, and he explained that a federal agency would do so and that if any oil companies overcharged they would face a reduction in their oil compensation payment. By way of supplementary I asked how the federal government arrived at the delay of 45 days, until August 15, in the increase of the price, whereas the province of Ontario has calculated that the oil companies would not be justified in increasing the price of oil in that province until some time in early or mid-October. It is the latter question I should like to pursue.

The federal government has allowed the multinational oil companies in Canada, which control 90 per cent of our oil resources, to hit the consumers of this country with a further $1.50 increase in the price of a barrel of oil. But the federal government has said that because these oil companies have a certain amount of oil in storage, they would be required to delay increasing the price for some 45 days, or until August 15. The figure of 45 days is a national average of the amount of oil in stock across the country at the old price of $6.50 a barrel. Studies have shown that the amount of oil available varies from province to province. The province of Ontario has calculated that it has enough oil to last 90 days, not 45. That is 90 days' supply of oil at the old price of $6.50 a barrel, not $8 a barrel.

I draw to the attention of the House that the last oil price increase occurred in April, 1974, and there was a similar 45 day delay until the middle of May. We now know that in Ontario on April 1, 1974, there were 46.3 million barrels of oil on hand, or enough to last not 45 days but 95 days. But the federal government asked the oil companies to delay increasing the price for only 45 days. This brought about a windfall profit to the oil companies in Ontario in 1974 of some $61.8 million. This profit came to the oil companies because they did not have to extend the delay past 45 days. Ontario consumers, therefore, paid dearly for this miscalculation on the part of the federal government.

On July 1, 1975, we had a similar increase, to come into effect on August 15. The figures I have indicate that as of July 1 there were on hand in the province of Ontario some 49.8 million barrels of oil at the old price of $6.50 a barrel, or enough for some 90 days.

The federal and provincial governments let the oil companies get away with windfall profits in Ontario last year by insisting only upon a 45 day delay in the price increase. Circumstances have now changed. The Ontario Conservatives are facing a fall election, and because of pressure by the NDP in the provincial legislature and the exposure of these figures I have just related, the province of Ontario has extended the 45 day freeze to 90 days.

● (2210)

Now we read in the newspapers that Imperial Oil, the largest oil company, is saying that if the province does extend the freeze to 90 days it will then increase the price per gallon of gasoline not five cents a gallon, as will every other company, but some eight cents a gallon or higher, after the 90 days are up.

Where is federal government leadership on this issue of the freeze? Why does the federal government not do an inventory of individual oil companies in each province, and if there is more oil, say in Ontario than in Saskatchewan, it would seem logical that there be a longer delay in the province of Ontario than elsewhere? As it is now, the oil companies that got us into this crisis will be able to get away with the 45-day national average.

The minister said in reply to my first question on July 16 that if the oil companies do not conform to federal guidelines the federal government will penalize them by reducing oil compensation payments. Imperial Oil has thrown out a direct challenge to the federal government by stating it will increase the price of a gallon of gasoline by more than the federal guideline of five cents a gallon after the 90-day provincial freeze has expired. My question to the parliamentary secretary is: will the federal government allow Imperial Oil to raise prices higher than the federal guideline of five cents after the 90-day freeze in Ontario expires?

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Madam Speaker, in reply to the question of the hon. member for Sault Ste. Marie (Mr. Symes) concerning the delay in the implementation of the oil price increase to allow for oil inventory at the time of the increase, let me say that the government has again this year had to deal with the difficult question of inventory treatment in a situation of rising oil prices. There are significant variances in inventory levels regionally; by product and by company. Some companies have no inventories. Particularly in import-dependent areas it is in the national interest that the industry should hold large inventories from a security of supply point of view.

Generally speaking, the largest inventories are held by the major companies. As the hon. member has pointed out, many of the large companies with large inventories are located in Ontario, and thus the Ontario government was

able to move to delay the date of the increase an extra 45 days. However, a number of minor companies, which represent an important competitive factor in the market, hold much less than average inventories. It would clearly be impossible to vary price increase dates by company or regionally. There is a need to find a common denominator.

In view of the foregoing, the government has decided that a compromise must again be struck on the basis of an assumed product working inventory of 45 days. This 45-day delay allows a reasonable degree of protection for consumers without unduly penalizing the sellers.

AGRICULTURE—INDUSTRIAL MILK—REQUEST FOR RECONSIDERATION OF LEVY

Mr. Bruce Halliday (Oxford): Madam Speaker, daily for the last five days the matter of the 100 per cent increase in the levy on industrial milk producers for powdered milk has been raised in this House. During those five days the Minister of Agriculture (Mr. Whelan) chose to answer the question on one occasion and either refused to answer on other occasions or was missing from the House. I should like to document very briefly those five occasions.

In the first instance my colleague, the hon. member for Joliette (Mr. LaSalle), asked the minister about this on July 22. The minister acknowledged he had received briefs from certain farm organizations and that they contained some suggestions worthy of consideration. On the following day my same colleague, the hon. member for Joliette, tried to move a motion under Standing Order 43 which would have required this House to debate the issue. This was turned down by government members.

On the following day, July 24, the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack), also a colleague of mine, raised the same question, and this time it was answered by the Acting Minister of Agriculture who said he would take it as notice.

On July 25, in private members' hour, a motion was brought forward by the hon. member for Richmond (Mr. Beaudoin) suggesting that there should be an investigation by the government of industrial milk producers. This motion was talked out by the government so that it could not come to a vote.

Finally, for the fifth day the question was again raised by the hon. member for Hastings (Mr. Ellis), and the Minister of Agriculture (Mr. Whelan) chose not to answer it because he had answered it previously. On the second occasion I tried to ask a question, but Mr. Speaker turned me down because it had been asked previously.

I want to conclude by asking three questions which the parliamentary secretary can answer, I think, in his three minutes without difficulty. But before I do so I want to allude first of all to his rather extensive speech on the occasion of a private member's motion last Friday. It seemed to me that he began to speak in a confident manner. I should like to quote him from page 7959 of *Hansard* when he said the following:

I should like to clear up the situation with regard to the dairy policy.

This seemed to be a final statement once and for all. Then he went on to describe how the minister, in consultation with the Canadian Dairy Commission and the

Canadian dairy farmers, had come up with a price adjustment formula which gave rise to the figure of $11.2 to underwrite the cost of industrial milk in Canada as of last April 1. Then he went on to discuss the export situation and how the price in Canada had been affected by the fact that subsidies by European governments had lowered the cost of powdered milk from abroad to a point where we in Canada were in difficulty in trying to make sales.

Once again the parliamentary secretary went on as follows, as recorded at page 7960 of *Hansard*:

You know our department is much interested in exportation. We always tried to find new markets for Canadian products.

Then the parliamentary secretary went on to discuss the problem of the decreasing number of producers of industrial milk. He described how the number of farmers producing industrial milk had gone down but said that this was compensated for by the fact that new farmers were coming in as well as farmers' sons who were taking on the job. He alluded to the fact that productivity and efficiency had gone up, and he illustrated this by saying that there was a 16 per cent increase since 1971-1972 in the amount of milk produced by industrial milk producers. He did not say that the reward these producers received for their increased efficiency and productivity was a cut back of between $1,500 and $2,500 on the basis of this new levy, or a 100 per cent increase on industrial milk.

Finally, the parliamentary secretary concluded his speech in a grandiose and incredible manner with the following sentences as recorded at page 7961 of *Hansard*, as follows:

The government has been committed for a long time in the development of a comprehensive and long-term dairy policy. We have fulfilled our task completely. It is now up to the industry to assume its responsibility and to contribute to the success of the dairy policy.

I would like to close by asking the following three questions: first, what specific attempts have been made by the government to expand exports of Canadian powdered milk? Second, acknowledging the financial bind in which young dairy farmers now find themselves, having committed themselves to bank loans based on the $11.2 price promised them in April and taken away on July 1, what help will the government give these farmers? Third, since the parliamentary secretary has said the Department of Agriculture has fulfilled its task completely, is it then refusing to accept the challenge of the Canadian Federation of Agriculture to try to develop a policy of funding for export products that will provide stability to industrial milk producers?

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I think the Minister of Agriculture has had the opportunity to answer that very same question several times recently, but I am pleased to answer it once again tonight.

We have all agreed for a long time on the importance and the special character of the dairy sector of Canadian agriculture. As in many other countries, the Canadian dairy industry is subject to a price control system. The government therefore has resorted to various ways of regulating production. Our programs have had a deep

impact on dairy production and on the decisions of producers.

Producers want to be satisfied that their output will remain stable so that they can make the investments required to keep a modern dairy business viable.

The government in fact acted to give them such an assurance. One of the dairy policy's objectives is precisely to ensure reasonable revenues to milk producers. Allow me to refer to some parts of the statement made by the Minister of Agriculture on April 18, 1975 before representatives of the dairy industry. At that time, Mr. Whelan announced a new readjustment formula for the price of milk, which provides for the readjustment of dairy producers' revenues. The formula accounts for both production costs and producer and family labour salary. It was developed after a number of studies and discussions with all parties concerned.

In April 1974, the Canadian Dairy Commission was empowered to meet producers' associations to develop a program ensuring better production cost—producer price relationship. Later on, the commission held a series of valuable talks with industry representatives, and their propositions were retained in the new policy. Producers undertook with Canada to pay export costs, under a supply management program. To that end, we received propositions from industrial milk producers. We would like to protect Canadian producers from the highs and lows of the international market, and we shall study in detail any propositions we may receive.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, July 29, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

DIVORCE ACT

PROPOSED PREPARATION AND STUDY BY COMMITTEE OF AMENDMENTS TO ACT—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to move a motion under Standing Order 43, the circumstances of which appear in the motion itself and are prompted by the disappointing response given to me yesterday by the Minister of Justice. I move that:

This House, aware of and alarmed by the glacial progress of reform in the field of domestic relations and divorce and the urgent need to rectify certain obvious and pressing problems, urges the government immediately to prepare and introduce for debate and discussion in an appropriate committee of parliament a green paper on divorce reform, including changes covering maintenance and support.

Mr. Speaker: Order, please. A motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SPORTS

SUGGESTED PROGRAMS TO EXPEDITE CONSTRUCTION OF FACILITIES—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of increasing evidence that Canadian amateur sport requires additional emphasis and encouragement in order that Canadian athletes can take part successfully in world level competition and more importantly to foster greater participation by Canadians in various forms of physical recreation, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the Minister of National Health and Welfare initiate more specific programs for this purpose in conjunction with provinces to expedite the construction of additional sporting facilities, and that funds for this purpose be provided to communities which have demonstrated by their own initiative that they are willing to utilize and manage such projects.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

MACKENZIE VALLEY PIPELINE—POSSIBILITY OF UNITED STATES RELEASING STUDY OF PIPELINE PROPOSAL

Mr. Doug Neil (Moose Jaw): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development may I address my question to the Acting Prime Minister. Has the government been in contact with United States government officials concerning the release by the U.S. department of the interior of its study of the Canadian Arctic Gas Pipeline Limited's Mackenzie valley pipeline proposal?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will either take that as notice, or I believe the Minister of Indian Affairs will be in the House shortly and perhaps it can be redirected to him when he arrives.

MACKENZIE VALLEY PIPELINE—SUGGESTED FOLLOW UP OF DEFECTS IN PROPOSAL ALLEGED BY UNITED STATES STUDY

Mr. Doug Neil (Moose Jaw): A supplementary question, Mr. Speaker. In view of the fact that the U.S. study determines safety factors, leak detection, operating plans and seismic monitoring to be inadequate for the scope of the project as well as criticizes proposals by the consortium for seasonal maintenance and an unrealistic operating schedule, what was the degree of awareness on the part of the government of these concerns expressed by the U.S. department of the interior, and will the government be doing a follow up study on the particular items of contention expressed in the U.S. study to ensure correction of the inadequacies in the proposal as they apply to Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Perhaps I can deal with some of those points, Mr. Speaker, because they relate to the hearing which will be conducted before the National Energy Board. It is precisely for dealing with that kind of question that the law provides for a National Energy Board hearing. Indeed, the board would require the applicants to submit evidence in response to those kinds of criteria. I presume that my colleague will have drawn this to the attention of Mr. Justice Berger, if his Lordship has not already taken it into account. In addition, of course, these

are precisely the questions upon which the applicants will have to satisfy the National Energy Board before the board would make any finding regarding the Mackenzie pipeline application, the hearing of which, as the hon. member knows, has not yet commenced.

Mr. Neil: A further supplementary question, Mr. Speaker. Obviously, the pipeline people have submitted proposals to the United States and the U.S. department of the interior on its own has made a study. Does the government plan on doing a study of its own relating to this problem?

Mr. Macdonald (Rosedale): Mr. Speaker, that is exactly what the National Energy Board has been constituted to do.

* * *

EXTERNAL AFFAIRS

USE OF NORTHWEST PASSAGE BY UNITED STATES TANKERS—CONSULTATIONS WITH UNITED STATES

Mr. Doug Neil (Moose Jaw): A final supplementary question, Mr. Speaker, which I will direct to the Secretary of State for External Affairs. In view of the concern raised by the study, can the minister advise whether or not his department has yet had any kind of consultations with the U.S. state department regarding use of oil tankers in the Northwest Passage?

● (1410)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, consultations on that subject have been going on for quite sometime.

* * *

ENERGY

NATURAL GAS—POSSIBILITY OF GOVERNMENT PROMOTING POLAR PIPELINE ROUTE THROUGH MANITOBA

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Due to the difficulties being experienced with the Mackenzie Valley pipeline route, will the federal government now be concentrating more effort on promoting the polar gasline route through Manitoba, which the participants of Panarctic Oils Limited claim can be ready before the Mackenzie Valley route?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the government of Canada does have an indirect interest in the polar gas route as a 45 per cent shareholder in Panarctic. I really cannot say at this point which of the two pipeline applications will first be completed. We will naturally continue to pursue with Panarctic, because of our interest in having a full assessment of the polar gas route, the possibility of having the study of the Polar gas route go ahead to completion. At this point the government has not taken a preference between one or other of the two possible pipeline routes.

[Mr. Macdonald (Rosedale).]

MACKENZIE VALLEY PIPELINE—GOVERNMENT EFFORTS TO OBTAIN COPY OF UNITED STATES STUDY OF PROPOSAL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the same minister. Given the probable consequences of the U.S. study on the Mackenzie Valley pipeline, will the minister inform the House whether the government has already or plans to take steps to obtain from the United States the documentation and the final report of the study itself?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we provided the United States Department of the Interior with the Canadian documents which are in the public area regarding many of the questions dealt with in the report, so there already has been liaison between my department, the Department of Indian Affairs and Northern Development and the United States concerning that study. Of course, we will be very interested in pursuing with the American authorities any elements which have not been covered by previous discussions. Regarding the energy part of the question, as I have said, there is a distinct responsibility under the National Energy Board Act to examine these very questions the Department of the Interior has been examining.

MACKENZIE VALLEY PIPELINE—REQUEST FOR ASSURANCE ENERGY BOARD STUDY WILL BE AS COMPREHENSIVE AS UNITED STATES STUDY

Mr. Edward Broadbent (Oshawa-Whitby): Given the comprehensiveness of the United States study, which is comprised of 17 volumes in its final form, will the minister assure the House that the Mackenzie study undertaken by the government through the National Energy Board will be at least as comprehensive as that done by the United States?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is the authority parliament has given the National Energy Board, and I think we can be confident that the board will examine all of these questions including gas availability, markets, safety and the environment, and that it will discharge its responsibilities in this regard.

MACKENZIE VALLEY PIPELINE—POSSIBILITY OF EXPERTS WHO PREPARED UNITED STATES STUDY APPEARING AS WITNESSES BEFORE BERGER COMMISSION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, given the fact that the United States has already completed its study in terms of this phase of the work—a very comprehensive study—I wonder whether the government would consider facilitating the attendance of a number of experts who prepared that report for the United States study as witnesses before the Berger Commission?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would be glad, as I am sure my colleague would, to hear from Mr. Justice Berger in this regard whether this would be of assistance. I might add that there was, of course, nearly $50 million expended for studies prepared in relation to the Canadian route, and I think this is possibly one of the reasons it has been

indicated that the Canadian route was better documented than the El Paso route.

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[*Translation*]

EXTERNAL AFFAIRS

INQUIRY AS TO PROTESTS FROM P.L.O. ON POSTPONEMENT OF CRIME CONFERENCE IN TORONTO

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs.

Can the minister tell the House if there are any new developments with regard to the PLO, in view of their protests against the fact that the crime conference will not be held in Toronto, next September, as previously planned?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, I have not received any protest from the PLO.

INQUIRY AS TO UNITED NATIONS DECISION ON REQUEST FOR POSTPONEMENT OF CRIME CONFERENCE IN TORONTO

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. It is my understanding that the UN Committee on Conferences was meeting this morning to come to a conclusion regarding the Canadian request to postpone the conference in Toronto in September. I wonder whether the minister would be good enough to let the House and the public know what was the conclusion of that committee and what the attitude of the government now is in respect of that determination?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Well, Mr. Speaker, the Committee on Conferences I believe met for the third time this morning, and will meet tomorrow afternoon. No final conclusions have been reached, although there has been a developing consensus in favour of not postponing the conference and holding it in another venue in September, but no final decision has been made as yet.

ALLEGATION ARGENTINA DIVERTED PLUTONIUM WASTE FROM NUCLEAR POWER STATION—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. I should like to ask him what action Canada has taken in light of the report by United States intelligence sources that Argentina has diverted some 50 kilograms of plutonium waste from its Atucha atomic power station, an amount sufficient to produce five atomic bombs. What attitude is the Government of Canada taking in respect of this?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, our attitude with regard to the question of nuclear proliferation is conditioned by our effort to secure with Argentina the most rigid safeguards possible. As the hon. member knows we have not yet completed our bilateral discussion with Argentina. There are a number of outstanding items still to be determined which are in the process of negotiation.

Mr. Gillies: Mr. Speaker, I have a supplementary again for the Secretary of State for External Affairs. I am wondering whether the minister can tell us whether or not the Government of Canada has been in consultation with the Government of the United States and whether in fact it is true that Argentina has diverted this amount of plutonium from one of its stations so that it could in fact, build atomic bombs.

Mr. MacEachen: Mr. Speaker, in general, of course, Canada and the United States as part of the exporter group have been consulting generally on these questions, but on this particular point I would have to check and will do so.

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ENERGY

FUNDY TIDAL POWER PROJECT—REQUEST FOR REPORT ON PROGRESS OF FEDERAL-PROVINCIAL REVIEW COMMITTEE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources further to questions I posed to him yesterday. I wonder whether he is in a position now to give me an up-to-date report on the activities of the Fundy Tidal Power Review Committee.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The report is not very precise, except to say that the federal-provincial study on the development of the Bay of Fundy tidal power is moving ahead under the supervision of the Bay of Fundy Tidal Power Review Board. Current activity is with regard to settlement of a specific investigation and study program, and it is expected that the new studies will be completed within the deadline envisaged in the September 1974 report summary on the question.

Mr. Coates: Mr. Speaker, it is my understanding that the minister will take some time during the recess—which will come later today—to visit Nova Scotia and derive some of the benefits that were available to his forefathers down there. I wonder whether, during that visit, he would take some time to come into Amherst and look at the maritime resources management services which are sponsored by the Council of Maritime Premiers and look at the facilities they have there as well as take a look at Springhill and what is available there in the way of coal for the development of new coal mines. I would be happy to make the arrangements for him if he would be willing to co-operate.

Mr. Macdonald (Rosedale): Mr. Speaker, I am most obliged to the hon. gentleman. My plans include a rather broader perspective of the whole estuary rather than a visit to Amherst, but I will certainly consider whether it

might be possible to arrange visits there as well as visits to be made to Cape Breton Island, Saint John and Eastport, and to include this matter as well in my studies.

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AIR TRANSPORT

AIR TRAFFIC CONTROL COMMUNICATIONS—SUGGESTED RECONSIDERATION OF POLICY ON BILINGUALISM—REQUEST FOR REPORT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport. On May 28 I directed a question to the Minister of Transport concerning the BILCOM report on air traffic control communications which did not receive the support of the Canadian Air Traffic Controllers Association. The minister stated that when he had reviewed all the representations which are of any value he would see what kind of policy the government would design in that field. In view of the fact that almost two months have passed since this promise was made, and in the interest of safety, will the minister either place geographical restrictions on unilingual pilots or provide them with English language training so that they can communicate with ground stations in controlled air space?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have been informed that the air division of my department met with the Pilots Association and discussed the whole matter. A ruling was made. Unfortunately, I do not have it with me here but I can let the hon. member know exactly what the understanding was.

● (1420)

Mr. Crouse: I have one brief supplementary question, Mr. Speaker. When the policy is announced by the minister, would he assure the House that this policy will be forwarded to the Standing Committee on Transport and Communications for further evaluation?

Mr. Marchand (Langelier): When I give the hon. member the answer I will tell him exactly what we are discussing.

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AGRICULTURE

UNITED STATES QUOTAS ON BEEF—GOVERNMENT POLICY FOLLOWING EXPIRY OF QUOTAS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a question for the Minister of Agriculture, one that I know he will want to answer in view of the importance of the issue and the possibility, however remote, that the House may recess within the next few days.

Some hon. Members: Oh, oh!

Mr. Peters: Can the minister confirm a press report indicating that Canadian and U.S. negotiators have reached agreement or near agreement on the issues affecting agricultural trade between the two countries, and can he inform the House now whether the Canadian quotas on cattle and beef and the U.S. quotas on cattle, beef, hogs and pork will expire on August 11?

[Mr. Macdonald (Rosedale).]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I said yesterday in the House and also previously, that we would be making an announcement before August 12 explaining the current position, and we will do so.

UNITED STATES QUOTAS ON BEEF—EFFECT OF CANADIAN QUOTA ON EGGS FROM UNITED STATES ON NEGOTIATIONS CONCERNING BEEF TRADE

Mr. Arnold Peters (Timiskaming): In view of the number of press reports indicating congressional demands for U.S. retaliation in response to the recently imposed quotas on U.S. eggs coming into Canada, can the minister inform the House whether the egg issue has seriously complicated negotiations on the meat trade, and to what extent the Canadian negotiators have been able to convince their U.S. counterparts that the egg quotas were both necessary and consistent with our obligations under GATT?

Hon. E. F. Whelan (Minister of Agriculture): I am sure the hon. member knows better than to pay attention to press reports—

Some hon. Members: Oh, oh!

An hon. Member: Watch that!

Mr. Whelan: —because some of the press reports have been most inaccurate. I sometimes wonder if the public has been informed at all about the talks that have been going on in a very congenial manner with our trading counterparts and about the position concerning retaliation with regard to eggs, etc. They seem to think the main concern is that Canada still wants to export eggs over there. I can tell the hon. member that our exports of eggs over there are mainly necessary because of their eggs coming here. We are not desirous of exporting eggs to the United States. If they want to put an embargo on our eggs coming into their country, that is perfectly all right by us.

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INQUIRY OF THE MINISTRY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. Can he advise the House if it is correct that the Prime Minister, after hearing the news from Nigeria, has asked that the Minister of Finance, the Minister of Energy, Mines and Resources and the Minister of National Health and Welfare be sent to join him in Helsinki?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the idea never crossed his mind. This is the most united and loyal government that ever stood behind the Prime Minister.

Some hon. Members: Oh, oh!

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF ADDITIONAL FUNDS FOR QUEBEC TO COMPLETE ROAD NETWORK IN GASPÉ AND ÎLES-DE-LA-MADELEINE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

As the special federal-provincial agreement for the economic development of the Lower St. Lawrence, Gaspé Peninsula and Îles-de-la-Madeleine area will soon expire, and as the funds made available to Quebec by the federal government for the reconstruction of the road network in that area have long since been exhausted, can the minister tell the House and the people of the area concerned whether the Quebec government has asked for additional funds from the federal government to complete those highways that are essential to the economic development of that important area of the country?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am not entirely certain whether there are actual, formal negotiations underway with regard to the portion of the highway to which the hon. member referred. I can tell him that in conversations with representatives of the government of Quebec, the matter of assistance for highway construction in the Gaspé was discussed in general terms. I will undertake to inquire from our officials in the province of Quebec as to whether these matters have now proceeded to the point where actual negotiations are under way.

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AGRICULTURE

DATE OF INTRODUCTION OF LEGISLATION TO PROVIDE COMPENSATION FOR CATTLE LOSSES RESULTING FROM BRUCELLOSIS AND TUBERCULOSIS

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct my question to the Minister of Agriculture, now that he has finished paging through his briefing notes. In respect of reports coming from the meeting of the minister with the various provincial agriculture ministers, it is reported that the minister indicated that legislation will be introduced shortly which would provide for better compensation for farmers who suffer cattle losses from brucellosis. I would like to ask the minister when that legislation will be introduced and whether it will also include cattle losses due to TB.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think I can say that that is another erroneous press report.

Some hon. Members: Oh, oh!

An hon. Member: Another?

Mr. Whelan: The hon. member who is being vocal should know because he used to write more than anyone else I know.

An hon. Member: Super bull strikes again.

Mr. Clark (Rocky Mountain): I was right more often than you are.

Mr. Whelan: Amendments were presented in the House last October to the Animal Contagious Diseases Act, and I said at the meeting to which the hon. member referred that if the provincial ministers of agriculture could persuade the members of the opposition and their leaders and if we could get unanimous consent to bring in the bill, it would be passed in as short a time as possible, and we could pay more compensation to the farmers as well as do all these other things.

Some hon. Members: Oh, oh!

Mr. Epp: Regardless of the rhetoric the minister wants to use, the farmers in my riding want to have answers about what the minister will do with respect to the cattle losses they are now suffering as a result of TB, and I ask the minister when that will—

Mr. Guay (St. Boniface): Is he still suffering from foot and mouth disease?

Mr. Lambert (Edmonton West): Joe, put a zipper on it, will you?

Mr. Epp: I wonder if the hon. member for St. Boniface is also suffering from foot and mouth disease and wants compensation.

I ask the minister when that legislation will be brought forward and whether it will be an update—because present compensation is simply not in keeping with replacement costs—and whether that legislation will also include losses incurred as a result of loss of herds.

Mr. Whelan: The legislation covers all diseases under the Animal Contagious Diseases Act, and it covers TB. I heard what the hon. member for Grenville-Carleton said, and I think that the hon. member who asked the question should probably report him and he should be kept in quarantine.

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EXTERNAL AFFAIRS

USE OF NORTHWEST PASSAGE BY UNITED STATES TANKERS—POSSIBLE ALTERNATIVE TO PIPELINE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, and it follows on the series of questions which began the question period relating to the use of the Arctic by United States icebreaker cargo vessels. Since the minister has indicated that he has been kept fully informed of the use of these vessels in the Arctic, can he tell us whether the Americans are planning to use the eastern route following the *Manhattan* route or the western route, and whether the Americans are planning the tanker icebreaker device as a supplement to the pipeline or as an alternative to the pipeline?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, they have not had any

discussions with us about any of the alternatives mentioned.

INQUIRY AS TO DISCUSSION WITH UNITED STATES CONCERNING USE OF HEAD HARBOUR PASSAGE BY TANKERS EN ROUTE TO EASTPORT, MAINE OR ALTERNATIVES

Mr. Donald W. Munro (Esquimalt-Saanich): In the general question of oil pipelines and the American need for oil, another part of Canada has been deeply affected, and I am wondering whether the minister could let us know whether there have been any contacts by his department with the Pittston Company to see whether it is planning to send, without Canadian government consent or approval, tankers through the Head Harbour Passage to Eastport, Maine. Has the Canadian government any plans to prevent them from doing this?

● (1430)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have made it clear that any such movement would be quite unacceptable to Canada. The environmental board in Maine, as I recollect the situation, authorized the Pittston Company officials to proceed with the oil terminal on the condition that certain permissions would be secured from Canada for the movement through Head Harbour Passage. To my knowledge the United States government has not spoken to us about these requirements of Pittston. I might say that if they did, the answer would still be that any such movement would be quite unacceptable because of the environmental hazards involved.

Mr. Munro (Esquimalt-Saanich): A final supplementary. In his discussions with the United States officials has the minister made any alternative suggestions, such as offloading in Lennoxville or St. John's and a pipeline from St. John's to Eastport, Maine. The government might as well be at least constructive.

Mr. MacEachen: Mr. Speaker, we have not made specific proposals along those lines, although I believe in general terms we expressed interest in exploring alternatives with them. In the light of proceedings under way, we have not made specific proposals.

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POST OFFICE

REQUEST FOR ISSUANCE OF STAMP TO COMMEMORATE ONE HUNDREDTH ANNIVERSARY OF FOUNDING OF ROYAL MILITARY COLLEGE—GOVERNMENT POSITION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I have a question for the Postmaster General. Some months ago, knowing his respect for the heritage of our country, I asked the minister to consider issuing a special stamp in 1976 to commemorate the one hundredth anniversary of the founding of Canada's famous and distinguished Royal Military College at Kingston. Is the minister in a position to tell the House if the anniversary will be suitably recognized by his department?

[Mr. MacEachen.]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. gentleman is quite correct in stating we have exchanged much correspondence on the subject and there has been a great deal of representation from other members of the House as well as the general public. I am pleased to announce that we will issue a stamp to commemorate the one hundredth anniversary of the Royal Military College.

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COMMUNICATIONS

EFFECT OF SYMPOSIUM ON VIOLENCE ON TELEVISION OF HOLDING OF PUBLIC HEARING ON SUBJECT BY CRTC

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Communications and I am sorry I did not have an opportunity to give him notice. May I ask him if the planned symposium on violence on television which is to take place in Kingston next month, and is sponsored by the CRTC, means that the CRTC will not be holding public hearings on this very disturbing problem across the country. There is a great deal of concern about the question, especially in the light of the alleged connection with the growth of crimes of violence.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I do not feel that this symposium excludes the possibility of the CRTC holding hearings. But to be more precise in my reply, I would have to refer the question before hand to the chairman of the CRTC.

* * *

[*English*]

AGRICULTURE

LEVY CHARGED ON MANUFACTURING MILK—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, may I ask the Minister of Agriculture a question? He has had notice of it since last Thursday through the Acting Minister of Agriculture when I suppose the minister was unavoidably absent. Does the government intend that dairy farmers should bear the cost of deficits created as a result of the government's inefficient marketing methods pertaining to powdered milk?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not accept the preamble to the hon. member's question. We have the most efficient pricing system available to industrial milk producers anywhere in the world. The agreement we are abiding by is one to which the producers agreed. I have said before in this House that I think it is unfair that we ask nobody else in society to take lesser incomes because of world conditions. We are trying very hard to work out a solution for our dairy farmers. I said last week we are still working with them to try to solve their problem concerning the export of skim milk powder. They are competing with the producers and treasuries in the countries of the European Community.

Mr. Alkenbrack: Mr. Speaker, a supplementary. I should like to ask the minister why he has permitted a 100 per cent penalty levy on powdered milk for Canadian dairy farmers during the past year.

Mr. Speaker: Order, please. The hon. member for Central Nova.

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HARBOURS

HAMILTON—POSITION OF MINISTER OF LABOUR ON REQUEST FOR PUBLIC INQUIRY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct a question to the Minister of Labour who stated on July 16 that he would comment later concerning the resolution of the city of Hamilton demanding a full and open inquiry into Hamilton Harbour affairs. Does the minister intend to make a statement or give an answer today? Has "later on" now arrived?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I indicated a few days ago in Hamilton that, as the member of parliament for Hamilton East, I would recommend to my colleagues that they seriously consider a judicial inquiry if anyone in Hamilton, including city council, came up with any specific allegations of wrongdoing not already dealt with in the trial. I believe the city council is considering that matter now. I am sure that the hon. member, who asked questions in the House while the preliminary hearing was going on, will join with me and members of the Liberal Party in expressing satisfaction that the two federal appointees on the harbour commission, Mr. Hickey and Mr. Lanza were thoroughly exonerated by the judge in charge of the trial of Mr. Kenneth Elliott.

Mr. MacKay: A supplementary question. I thank the minister for his answer and I should like to ask him what prerequisites does he, as a member of parliament from Hamilton think the city has to do in view of their long standing request. What does he want?

Mr. Speaker: Order, please. I am sure the hon. member is aware that by our procedures he is not entitled to address questions to the hon. member for Hamilton East.

* * *

EXTERNAL AFFAIRS

REASON FOR ADMITTANCE OF GENERAL QUANG IN VIEW OF ALLEGED KNOWLEDGE OF CONSUL GENERAL MORIN OF CRIMINAL ACTIVITIES DURING INTERVIEW

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the startling revelation today that consul general Albert Morin had been apprised of General Dang Van Quang's background, including criminal activities, a full ten days before Quang was interviewed by Morin at Port Chaffey and in view of the fact that Mr. Morin informed the press and officials in Canada that he was not aware of Quang's criminal background, would the minister investigate how Quang was able to slip through when his criminal record was known to the vice consul? In view of the fact that the Minister of Manpower and Immigration has enough information to deport Quang, the same information that Mr. Morin had when he met Quang, can the minister say whether Morin told Ottawa or was told by anybody in Ottawa to let him in regardless of his criminal background?

Mr. Speaker: Order, please. I am not sure that a detailed question like that is proper for the question period, but if the minister wants to answer he may.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will take the question as notice. I think the information is probably in the possession of my colleague.

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NATIONAL REVENUE

ALLEGED DUMPING OF STEEL IN NOVA SCOTIA—REQUEST FOR REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, a question for the Minister of National Revenue. Some days ago I raised the question of the alleged dumping of steel in the province of Nova Scotia and the drastic effect this would have on the already ailing steel industry. I wonder if the hon. Minister has anything further to add to what he said on this subject the other day?

Hon. Ron Basford (Minister of National Revenue): Not really, Mr. Speaker. As I indicated to the hon. member the other day, my officials have been in touch with the two companies that might be concerned by the alleged dumping of steel. They want to determine whether these companies wished to lay a complaint under the anti-dumping act. If they so choose to do, my deputy minister, under the anti-dumping act, is statutorilly charged with the function of primarily determining whether there is a case for dumping, on which he would make a ruling. The matter would then be referred to the anti-dumping tribunal. As I indicated to the hon. member, I asked my officials to treat this as a matter of importance and urgency.

* * *

● (1440)

AGRICULTURE

LEVY ON INDUSTRIAL MILK—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Agriculture. Given that the purported reason for the increased levy on industrial milk is to support the export of powdered skim milk, and given that 20 per cent of all exports go to the United States, and another 20 per cent go to Cuba, does the government think it fair that farmers of Canada should be forced to go broke to support Canadian consumers who can surely look after themselves, and Cuban consumers who are already supported quite heavily with aid from Canada.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, on the export market we are competing against world prices. The producers agreed to do that, that being part of the agreement we worked out with them. They are meeting the export world price, and meeting competition mainly from the European community, which dropped the price of skim milk powder since the first of the year by $300 or $400 a ton.

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NORTHERN AFFAIRS

CHURCHILL RIVER POWER PROJECT—SUGGESTED RESIGNATION OF OFFICIALS WHO ALLEGEDLY FAILED TO PROTECT INDIAN LANDS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and has to do with the hydro development project which will bring adverse affects to Nelson House in my province. As relations between the two levels of government have deteriorated to threats of lawsuits and counter threats of lawsuits, will the minister indicate to the House if he has asked for the resignation of all his top officials who either knew of the project and failed to take action to uphold the trusteeship of the federal government over those Indian reserve lands, or who did not know about those developments in Manitoba and ought to have known about them.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated in reply to a question yesterday concerning this project, I do not share the hon. member's pessimism over the current situation between the government of Manitoba and the Government of Canada.

Mr. Whiteway: A supplementary question, Mr. Speaker. Whether or not the minister agrees with my pessimism, I point out that I asked him a question. Has he asked for the resignation of those departmental officials who failed to take action to protect the rights of native peoples.

Mr. Speaker: Order, please. The hon. member is obviously repeating the question which the minister has just answered.

* * *

POST OFFICE

REASON FOR DELAYS IN DELIVERY OF MAIL

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Postmaster General and arises from the frustration of advertisers and business people living 35 miles from each other who kept a record for 90 days of postal service. The fastest delivery took one day, and the longest took 13 days, the average being five days. My question is this: Is this an internal problem, or can the minister give some explanation, so that business people may have available a mail service upon which they can depend and so that the time span between postage and delivery may be a uniform one.

[Mr. Ellis.]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I could help the hon. member in his frustration if he would be prepared to explain whether he is talking about first class, second class, third class, fourth class or bulk mail. Until I know his statistics, and compare them with those of the post office, there is not much I can say at this moment.

Mr. Malone: A supplementary question, Mr. Speaker. Since the particular advertiser about whom I am speaking is spending $11,000 per year on stamps and since much of the mail is first class, I wonder if the minister would advise those who wish to have first class mail delivered within one day to post their mail five days in advance or, alternatively, could he talk to all 35 Liberals of the province of Alberta and have each of them jog a mile to deliver such mail?

Mr. Mackasey: Mr. Speaker, if the hon. gentleman was really concerned about the problem of the advertiser in his constituency he would, instead of taking political advantage of the situation, call the post office and we should be glad to send him a marketing representative who would sit down with the gentleman and find out what is the exact problem. That is the responsible way of settling problems on behalf of constituents.

* * *

NATIONAL DEFENCE

LONG RANGE PATROL AIRCRAFT—DATE OF DECISION ON SELECTION AS BETWEEN BOEING AND LOCKHEED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Minister of National Defence, my question is directed to the Acting Prime Minister. The Minister of National Defence issued a press release dated July 25, 1975, stating that the long range patrol aircraft proposals had been narrowed to two, one each from Lockheed and Boeing. Given the fact that this is exactly the same news as released by the Minister of National Defence on December 4, 1973, can the Acting Prime Minister tell the House if this means that the concept of a mix containing Lockheeds, Boeings, plus some de Havilland DASH 7's has now been discarded?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I really cannot give the answer at present. I will have to take the question as notice. We made some advance in narrowing the options, but whether this particular one is still open I am not quite certain.

Mr. McKinnon: Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. The option, according to the press release dated December, 1973, was narrowed to two aircraft a year and a half ago. Can the Acting Prime Minister assure the House that the government will come to a firm decision at some future date and can he let us know the firm date on which the government will finally decide as between the Boeing and the Lockheed?

Mr. Sharp: Mr. Speaker, as the Prime Minister said yesterday, one of the reasons we were unable to reach a decision at our recent meeting was that on almost the day

before we had our meeting we obtained fresh proposals from some of those who are interested in undertaking the work. In the circumstances we felt it desirable to give all of these proposals further study.

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PRIVILEGES AND ELECTIONS

REQUEST FOR DATES OF COMMITTEE MEETINGS AND NAMES OF WITNESSES TO BE HEARD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the chairman of the Standing Committee on Privileges and Elections. In view of the uncertainty surrounding the holding of future meetings of the standing committee, can the chairman indicate on what dates the committee proposes to meet and what witnesses it proposes to hear?

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, as the hon. member for York-Simcoe knows, there is no uncertainty whatever about the dates on which the Standing Committee on Privileges and Elections is to meet. The steering committee had made its recommendation, and I will, accordingly, call meetings for August 11, 12, 13 and 14. In order, the witnesses appearing will be the learned parliamentary counsel, the representatives of the *Gazette*, the hon. member for Kenora-Rainy River and several witnesses whose names appeared in the *Gazette* articles. They will appear on the fourteenth, the Thursday of that week.

POSSIBILITY MINISTER OF FINANCE WILL APPEAR AS WITNESS—INQUIRY AS TO CORRESPONDENCE BETWEEN MINISTER AND MEMBER FOR KENORA-RAINY RIVER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Would the minister be willing to appear before the committee. Second, has he ascertained whether there was any correspondence between himself and the hon. member for Kenora-Rainy River between the dates in May and November, that is, between the two budget dates. If so, will he table the correspondence in the House, as I requested him to do on July 25.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am at the disposal of any committee of the House of Commons, at their request—

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): You are at their disposal, but not disposable.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the answer to the second part of the question is that we have searched our records and there is no correspondence between the hon. member for Kenora-Rainy River and myself between the dates of the May and the November budgets relating to the matter involved in this inquiry.

VETERANS AFFAIRS

REQUEST FOR TABLING OF BILL RELATING TO HONG KONG AND EUROPEAN PRISONERS OF WAR

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Will the minister consider tabling, before the House rises for its recess, the government's bill implementing the recommendations of the Standing Committee on Veterans Affairs with respect to Canadian prisoners of war, both Hong Kong and European?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I feel, judging by rumours on Parliament Hill, that I probably will not have time to do this. The presentation of the committee was made available to parliament a few weeks ago. There has not been enough time to work on it. It is being prepared for presentation to cabinet. If the House rises at the time predicted, I do not think I will have time to do what the hon. member asks.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. If there is not time for the minister to present the bill before we recess, can he tell us today if the government has accepted the recommendations of the standing committee?

Mr. MacDonald (Cardigan): Mr. Speaker, the matter will go through the proper procedure, and when I have the information to that effect, I will be glad to let the House know.

* * *

● (1450)

POST OFFICE

INVITATION TO MINISTER TO VISIT MONCTON RIDING TO STUDY PROBLEMS OF THE AREA

Mr. Leonard C. Jones (Moncton): In view of the fact that there are several matters concerning the hon. gentleman's department concerning which I am trying to get responsible action, would the Postmaster General undertake to come to the Moncton riding during the coming recess so that the communities concerned can meet with the Postmaster General to get his reaction to the situation.

Hon. Bryce Mackasey (Postmaster General): Like all cabinet ministers I shall not be having a recess.

Some hon. Members: Oh!

Mr. Mackasey: However, I would be awfully happy to go to Moncton at the earliest opportunity for a variety of reasons, not all of them connected with the Post Office.

Oral Questions

ADMINISTRATION OF JUSTICE

ALLEGED STATEMENT BY MR. L'ALLIER THAT SUPREME COURT BIASED AGAINST QUEBEC—REQUEST MINISTER ANSWER ALLEGATION

Mr. J. P. Nowlan (Annapolis Valley): In view of the fact there may be a recess some time this summer or this fall, I should like to direct a question to the Minister of Justice. It arises from comments at a Liberal pow-wow of the minister of communications in Quebec attributing bias to the Supreme Court of Canada, and since the minister of communications is a Liberal I wondered, since the Supreme Court of Canada cannot defend itself, whether the Minister of Justice has had a chance to look at the remarks of the hon. Mr. L'Allier and discuss this with the premier of Quebec so that something can be put on the record to clarify the situation, or will the minister use the opportunity of the Canadian Bar meetings to be held in Quebec City this fall to say something about this question?

Hon. Otto E. Lang (Minister of Justice): I have not yet had a chance to see the remarks in question. Certainly, the press reports indicate that it would be worth emphasizing the value, quality and independence of the Supreme Court. But I do not think I would want to comment further without seeing the actual remarks.

Mr. Nowlan: I have not seen the program of the Canadian Bar which is meeting in Quebec City this fall, but ordinarily the Minister of Justice or the Prime Minister is one of the main speakers at that convention. Does the minister think it is important enough, if there is not a forum in which to say something before then, for the hon. gentleman or the Prime Minister to make that one of his main points at the Canadian Bar meeting and if this is really a point in the minister's mind which is causing a problem between the ministers of communication of the country shouldn't this be clarified so that the stalemate might be resolved?

Mr. Lang: The hon. member is wrong in thinking that such a speech is ordinarily made at the Canadian Bar. That does happen from time to time, but I am sure the hon. member does not really mind very much in which forum such a statement will be made.

SUGGESTED SENDING TO MR. L'ALLIER OF COPIES OF SUPREME COURT DECISIONS UPHOLDING PROVINCIAL JURISDICTION

Mr. Walter Baker (Grenville-Carleton): Would the minister of Justice consider sending to Mr. L'Allier copies of decisions of the Supreme Court of Canada over the years which have upheld provincial jurisdiction in all the provinces because this is an extremely important matter having regard to the position of the court in our constitutional system?

Hon. Otto E. Lang (Minister of Justice): If the hon. member for Grenville-Carleton has a spare set of the Supreme Court reports that he would like to see shipped, and is willing to give them, I might be able to arrange the freight.

[Mr. Mackasey.]

Mr. Baker (Grenville-Carleton): I will get them for you.

Mr. Nowlan: Where's your leadership?

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CONSUMER AFFAIRS

REASON FOR SHORTAGE OF HOME CANNING SUPPLIES—REQUEST FOR REPORT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I had hoped to address my question to the Minister of Consumer and Corporate Affairs, his presence having been promised us yesterday; I do not know whether the Postmaster General is still acting for him today. Can the minister provide some explanation of the acute shortage of home canning supplies, particularly wide mouth jar lids being experienced in South Central British Columbia and elsewhere and, if so, what steps are being taken to overcome the shortage?

Hon. Bryce Mackasey (Acting Minister of Consumer and Corporate Affairs): Mr. Speaker, I was quite honest in my remarks yesterday in saying the Minister of Consumer and Corporate Affairs was unavoidably absent because of illness. He telephoned this morning to tell me that this illness makes it impossible for him to be here today. I know that this subject is one of continuing interest to the hon. member and that he first brought it to the attention of the minister many months ago. I imagine there has been an intensive study of the position, and I am sure my colleague will be glad to turn it over to the hon. member as soon as he returns.

* * *

AGRICULTURE

LEVY ON INDUSTRIAL MILK—REQUEST FOR SPECIAL PROGRAM TO DEAL WITH PROBLEM

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture; it is supplementary to others which have been asked in the House. In view of the continuing concern which has been expressed by members on this side of the House and by milk producers, industrial producers in particular, and having some appreciation of the problem the minister faces with reference to this situation, I ask the minister, if he does not intend to amend the present dairy policy, and I appreciate the difficulty in that regard, whether he will discuss the possibility of producing a special program to cope with this situation in co-operation with his cabinet colleagues—I have in mind the Minister of Industry, Trade and Commerce?

Hon. E. F. Whelan (Minister of Agriculture): We have already had meetings with the dairy industry and with one of the provincial dairy organizations. We have discussed all the pros and cons of what can be done. I have never at any time said I thought that what they were being subjected to was fair. They realize the position they are in. They have made suggestions and we are considering those suggestions. We have made some ourselves for

consideration, but as to what will come of this, we shall have to be a little patient and wait and see what is going to happen. It is a problem which is not easy to solve. It is a condition which did not exist last year but exists this year. I may say, in all honesty, that I do not think the condition which exists is going to be a long term condition.

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AIR TRANSPORT

AIR TRAFFIC COMMUNICATIONS—REQUEST FOR ASSURANCE NO UNILATERAL ACTION ON BILINGUALISM

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is supplementary to one which was put to the Minister of Transport by the hon. member for South Shore. In view of a statement made by the Canadian Airline Pilots Association on behalf of seven major Canadian aviation associations to the effect that the very concept of bilingual air traffic services should be rejected because of the inherent degradation of safety standards due to the possibility of misunderstanding, will the minister assure the House that the government will not take any unilateral action which would jeopardize complete and rapid comprehension of all communications by all pilots so as to ensure passenger safety?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker.

An hon. Member: Did he say "No"?

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STATUS OF WOMEN

INTERNATIONAL WOMEN'S YEAR CONFERENCE—VOTE OF CANADIAN DELEGATION ON RESOLUTION CONDEMNING ZIONISM

Mr. Steven E. Paproski (Edmonton Centre): My question is for the Parliamentary Secretary to the Minister of National Health and Welfare. How did Canada vote at the International Women's Year Conference in Mexico City on a resolution condemning Zionism?

Mr. Speaker: Order, please. I am sure that technically the question is directed to the hon. parliamentary secretary through the Minister of Health.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): The Canadian delegation, in Committee I as well as in the plenary sessions, any time the word "Zionism" was put into a clause or an attempt was made to do so, voted with Israel against any inclusion of the word.

Mr. Paproski: Why did Canada abstain rather than vote "No"?

Some hon. Members: Oh!

● (1500)

Mr. Stevens: Mr. Speaker, yesterday evening I gave notice of a question of privilege that I intended to raise

today. I do not intend to pursue my question of privilege. I am pleased to report that a further steering committee meeting was held at 12 noon today, at which time four standing committee meetings of the privileges and elections committee were arranged and witnesses proposed. I believe that my point of privilege which I intended to raise is no longer necessary, and I hope that in future we will not have the frustration that we went through last night with the chairman using a double vote.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. BEATTY—LOGGING OF MEMBERS' LONG DISTANCE TELEPHONE CALLS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise on a question of privilege affecting the rights and privileges of all members of parliament. On July 17 I wrote you expressing my concern over a newspaper report that the government had contracted with Bell Canada for a computerized device that will log the source, time, date, duration and, most important, the destination of long distance telephone calls made over the government's leased lines.

At the time I wrote you it was unclear whether these devices could be used to log calls made from the offices of members of parliament or from the press gallery. This morning my office was able to confirm with the government telecommunications agency that long distance telephone calls made by members of parliament over the direct inter-city lines may indeed be logged. It is for that reason that I rise now to raise this question of privilege at the earliest possible opportunity.

The facts of the case are as follows. This June the Department of Communications contracted with Bell Canada for traffic data service for the 35,000 line government telephone system in the national capital region at a cost of $1.5 million. The contract is for a duration of five years, beginning last month. What the equipment does is to log calls being placed on the inter-city lines in order to provide departments with information they can use to prevent improper use of the leased lines by government employees. As I indicated earlier, it will record the source, date, duration, time and destination of calls made over the leased lines. My understanding is that such a system is already in effect in Vancouver and Edmonton, and is also being considered for other centres.

I should stress that this system does not listen in on calls in any way; what it does is to record vital information about the nature of the calls, including the telephones from which calls are placed and those to which they are placed.

The implications of this new program for our ability to discharge our responsibilities as members of parliament are serious. One of the most basic principles in a representative democracy is that citizens should be able to talk freely with their representatives about confidential mat-

ters, and this new computerized equipment will give the government the ability to log calls made legally and properly between a member of parliament and a citizen of this country. The installation of this equipment thus represents a substantial new encroachment upon the rights and privileges of all members of parliament.

If your Honour finds that I have a prima facie case of privilege, then I would propose to move the following motion, seconded by the hon. member for Rocky Mountain (Mr. Clark):

That this House instructs the government to program its telephone logging equipment not to record the destination of calls made from the offices of members of parliament on the government's leased inter-city telephone lines.

Mr. Speaker: Order, please. I see the Minister of Communications (Mr. Pelletier) is anxious to make an intervention, but before he does so may I inform the House that upon receipt of the letter to which the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) referred in his remarks I asked that an investigation be commenced. My preliminary reports are reassuring in respect to the nature of this equipment that is involved; however, they are only in the nature of preliminary reports.

My proposal is to reserve on this question and hold it over for whatever recess does take place, and when the investigation for which I asked is completed the hon. member will see a copy of the report. Then other hon. members might have an opportunity to consider it at a later time. If any member of the House is not entirely satisfied with respect to the nature of the equipment and any dangers involved in it in regard to the protection of privacy, the matter can stand over until that time for further determination of whether or not it should be referred to one of the standing committees of the House.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): On the same question of privilege, Mr. Speaker, I wanted to point out the existence—which I already knew—of the inquiry recommended by your Honour, and the fact that the hon. member has a rather dangerous way of using words. For instance, when he was speaking of that equipment as revealing the nature of a telephone call, I fail to understand what he means; he is using words in a very, very dangerous way. He spoke about the nature of the calls, insisting that the word nature did not mean contents. But what is the nature if not the contents? Then he went on to say that members of Parliament must be free to receive confidential calls. Confidentiality has nothing to do in the present circumstances. I wanted to suggest what you have just suggested yourself, your Honour, that the inquiry actually take place and that such abuse of vocabulary be avoided in the meantime, otherwise an overall commotion may occur throughout the country for nothing at all. This may happen now and again, but it should not be an every day occurrence.

[*English*]

Mr. Speaker: I thank both hon. members for their intervention. I have indicated that I will take the matter under consideration and ask that a further report be given to me. When I receive it I will send both the minister and the hon. member a copy. The matter will be held over for further discussion at a later date.

Mr. MacKay: Mr. Speaker, I rise on a brief point of order relating to the way that the Minister of Labour answered my question. I feel that he has, inadvertently I am sure, brought in extraneous, non-collateral matters. Although he is extremely sensitive on this matter, I would point out to him and to Your Honour that the trial to which he referred at Hamilton concerned specific criminal charges against persons whose names are well known, not respecting the general administration but facilities involving the port. I say to the minister, with all respect, even keeping in mind his reluctance to call an inquiry into the SIU, which was later justified, that he should welcome a judicial inquiry, where people could have a little more assurance than his own self-serving protestations about how good things are in Hamilton.

Mr. Munro (Hamilton East): Mr. Speaker, I think the hon. member is distinguishing himself in this House for his indecency in casting innuendoes.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): It is not a reputation that I think, over the long haul, he is going to enjoy, among even the members of his own particular party. I made reference to the total exoneration of Mr. Hickey and Mr. Lanza because the hon. member himself, and others, I think improperly, at the time raised questions during the preliminary hearing, by implication, indicating some wrong doing on this side of the House. It was impossible to answer the hon. member at that time because I myself, or others who might have attempted to answer, might have been in contempt of court. To take the position that he did, knowing that the people against whom he was casting innuendoes could not properly answer or defend themselves, I believe was disgraceful conduct, and I still believe it. I believe that the hon. member who has just risen is guilty of that kind of conduct.

Mr. Baldwin: Make a charge.

Mr. Speaker: Order, please. Both hon. members have now contributed to a point which was raised as a point of order in the first place. In fact it is a complaint about, or disagreement with the answer the minister initially either gave or failed to give at the time the question was put. As such it is not a valid point of order in the first instance. This simply points out the continuing difficulty that arises when the Chair permits hon. members to carry on points of order or privilege which are not even valid or prima facie. They only evoke a response from the other side which frequently contributes to further disorder in the House, and which ought to stop before it goes too far.

Mr. Beatty: Mr. Speaker, without wanting to protract my comments with respect to the problem I have just raised, the minister, for some reason, I think inadvertently, clouded the issue. I stress again that I did not in any way suggest that the government was listening in on telephone calls. What I said was that it recorded vital information respecting the nature of the calls, including the telephones from which the calls were made and the

telephones to which they were made. That is very different from recording the contents. What it does is allow the government if it wants, to determine who we have been calling on government telephone lines.

● (1510)

An hon. Member: How do you find out the name if you don't know the content?

An hon. Member: You just don't understand the English language.

Some hon. Members: Oh, oh!

Mr. Speaker: With the greatest respect to the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), in view of what the minister was raising I think this does cause some confusion. In order to have this understood I think it ought to be perfectly clear that the hon. member at one point said, and this is certainly my understanding, that the equipment is not capable of recording anything or listening to the content of a call.

An hon. Member: That is right.

Mr. Speaker: The question which has been raised, and the hon. member repeated the words, and was good enough to give me a copy of his notes, is that what it does is record vital information about the nature of the call. I take it from that that the hon. member really means information such as the origin, destination, and duration, but not the content.

Mr. Beatty: That is correct.

Mr. MacKay: Mr. Speaker, I do not intend to take much time of the House, but I do want to say to you, Sir, that I challenge the Minister of Labour, who has just imputed several motives to me, suggesting that I was being disgraceful in my conduct in this House and so on, to check *Hansard* carefully and show me and the House any questions which I asked concerning the hon. member for Hamilton East, or involving him or anyone else in this House, which were not accurate and true but were malicious and misleading in any way. I would also ask him to point out any of those questions which I asked that were ruled out of order by the Chair.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,561, 2,573, 2,777, 2,780, 2,815, 2,855, 2,868, 2,881, 2,901 and 2,916.

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

Order Paper Questions

[*Text*]

DEPARTMENT OF ENVIRONMENT—LANGUAGE TRAINING

Question No. 2,561—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of the Environment for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. The total costs included in the 1975-76 Estimates for the Department of the Environment for language training are nil. However $777,700 was provided from Treasury Board (Vote 15) for language training.

2. (a) Nil; (b) nil; (c) nil; (d) $777,700 for persons replacing employees on continuous language training.

POST OFFICE DEPARTMENT—LANGUAGE TRAINING

Question No. 2,573—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Post Office Department for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. Bryce Mackasey (Postmaster General): 1. $1,635,599.

2. (a) Salaries of personnel receiving instruction are not included in the above figure since they are covered in the budget relating to their own activity. (b) and (c) Salaries of instructional staff are covered in the provision of $500,000 within the foregoing figure for the purchase of instructional services from the Public Service Commission. (d) Other costs amount to $1,135,599, made up of $541,899 for salaries of those involved in the administration of the Official Languages Program, $420,000 for travel by personnel under instruction, $30,000 for administrative travel, $100,600 for training equipment and training aids and $43,100 for miscellaneous expenses.

REPAYMENT FOR DAMAGES CAUSED BY FLOODING IN QUEBEC

Question No. 2,777—**Mr. Lefebvre:**

1. During the fiscal year 1974-75, what was the total amount claimed in repayment for damages caused by flooding in (a) the Province of Quebec (b) the Constituency of Pontiac (c) each municipality in the Constituency of Pontiac?

2. Of the total amount claimed in the Constituency of Pontiac, what was the amount of money and the number of claims accepted for reimbursement under the federal-provincial agreement for (a) individuals (b) provincial government (c) provincial government agencies (d) municipal governments (e) school boards (f) business and manufacturing establishments (g) any other group?

3. Of the total amount accepted for payment in the Province of Quebec under the federal-provincial agreement, what amount will be provided by the (a) government (b) provincial government?

Hon. John N. Turner (Minister of Finance): 1. The federal government has offered to share the cost of assistance provided by the Province of Quebec to the victims of

the 1974 flood. The offer of assistance was in accordance with the terms and conditions of the federal disaster assistance program, under which the federal government assumes a share of the actual costs incurred by the province. The Province of Quebec's claim for the federal share of cost covering the 1974 flood is now in the final stages of preparation, and we expect to receive this claim in the very near future.

2. See above.

3. See above.

REPAYMENT FOR DAMAGES CAUSED BY FLOODING IN QUEBEC

Question No. 2,780—**Mr. Clermont:**

1. During the fiscal year 1974-75, what was the total amount claimed in repayment for damages caused by flooding in (a) the Province of Quebec (b) the Constituency of Gatineau (c) each municipality in the Constituency of Gatineau?

2. Of the total amount claimed in the Constituency of Gatineau, what was the amount of money and the number of claims accepted for reimbursement under the federal-provincial agreement for (a) individuals (b) provincial government (c) provincial government agencies (d) municipal governments (e) school boards (f) business and manufacturing establishments (g) any other group?

3. Of the total amount accepted for payment in the Province of Quebec under the federal-provincial agreement, what amount will be provided by the (a) government (b) provincial government?

Hon. John N. Turner (Minister of Finance): 1. The federal government has offered to share the cost of assistance provided by the Province of Quebec to the victims of the 1974 flood. The offer of assistance was in accordance with the terms and conditions of the federal disaster assistance program, under which the federal government assumes a share of the actual costs incurred by the province. The Province of Quebec's claim for the federal share of cost covering the 1974 flood is now in the final stages of preparation, and we expect to receive this claim in the very near future.

2. See above.

3. See above.

REPAYMENT FOR DAMAGES CAUSED BY FLOODING—VAUDREUIL, QUEBEC

Question No. 2,815—**Mr. Herbert:**

1. During the fiscal year 1974-75, what was the total amount claimed in repayment for damages caused by flooding in (a) the Constituency of Vaudreuil (b) each municipality in the Constituency of Vaudreuil?

2. Of the amount claimed in the Constituency of Vaudreuil, what was the amount of money and the number of claims accepted for reimbursement under the federal-provincial agreement for (a) individuals (b) provincial government (c) provincial government agencies (d) municipal governments (e) school boards (f) business and manufacturing establishments (g) any other group?

Hon. John N. Turner (Minister of Finance): 1. The federal government has offered to share the cost of assistance provided by the Province of Quebec to the victims of the 1974 flood. The offer of assistance was in accordance with the terms and conditions of the federal disaster assistance program, under which the federal government assumes a share of the actual costs incurred by the province. The Province of Quebec's claim for the federal share of cost covering the 1974 flood is now in the final stages of preparation, and we expect to receive this claim in the very near future.

2. See above.

[Mr. Turner (Ottawa-Carleton).]

INDUSTRIAL DEVELOPMENT BANK—OUTSTANDING LOANS MADE IN NORTHEASTERN ONTARIO

Question No. 2,855—**Mr. Blais:**

1. What is the total amount of outstanding loans made by the Industrial Development Bank in Northeastern Ontario in offices served by the Northern Ontario district office in Sault Ste-Marie?

2. What is the total amount of outstanding loans administered by the Sudbury office of the Industrial Development Bank and, how many were made in the judicial district of Nipissing?

3. What percentage of loans made by the Sudbury office during the fiscal years 1972-73 and 1973-74, were advanced to borrowers carrying on business in the district of Nipissing?

Hon. John N. Turner (Minister of Finance): 1. At March 31, 1975 IDB had $44,151,000 outstanding in loans, investments, and guarantees to 1,279 customers in the Northern Ontario District. In the six months ended Marc 31, 1975 IDB approved 222 loans for a total amount of $7,836,000 to borrowers in Northern Ontario District.

2. The IDB does not publish in its annual report or in periodic press releases information concerning its lending activities by branches or by judicial districts.

3. The IDB does not publish in its annual report or in periodic press releases information concerning its lending activities by branches or by judicial districts.

NATIONAL REVENUE—INVESTIGATION OF ORGANIZATION OF SCIENTOLOGY

Question No. 2,868—**Mr. Brisco:**

Was the organization of Scientology investigated by the Department of National Revenue and, if so, what were the findings?

Hon. Ron Basford (Minister of National Revenue): Customs and Excise: On December 30, 1970, the Department's Customs Tariff Division ruled that the Church of Scientology was entitled to import goods free of duty under tariff item 69605-1. Tariff item 69605-1 provides for the importation of numerous products when for the use of any society or institution incorporated or established solely for religious, educational, scientific and certain other purposes. In 1974 the matter was reviewed and on December 19, 1974 a ruling was issued which withdrew the privileges of tariff item 69605-1 inasmuch as the Church of Scientology was not considered to be solely a religious institution. Taxation: Under the secrecy provision of the Income Tax Act, the Department is unable to provide the information requested.

CONTRIBUTIONS TO REGISTERED HOME OWNERSHIP SAVINGS PLANS

Question No. 2,881—**Mr. Knowles (Winnipeg North Centre):**

1. For the 1974 taxation year, how many individual tax filers claimed deductions from personal income tax for contributions to Registered

Homeownership Savings Plans and what was the total amount claimed?

2. For Canada and for each province, how many individual tax filers claimed deductions and what was the total amount claimed by (a) income group (i) under $5,000 (ii) $5,000-$9,999 (iii) $10,000-$14,999 (iv) $15,000-$19,999 (v) $20,000-$24,999 (vi) $25,000-$49,999 (vii) over $50,000 (b) age group (i) under 20 (ii) 20-30 (iii) 31-40 (iv) 41-50 (v) 51-60 (vi) over 60?

3. How many individual tax filers claimed deductions and what was the total amount claimed, by type of financial institution dealt with (chartered banks, life insurance, trust or mortgage companies)?

Hon. Ron Basford (Minister of National Revenue): The information requested is not available at the present time as Registered Home Ownership Savings Plans are a new deduction for 1974. A detailed analysis of this item will not be made until all 1974 tax returns are processed.

AIRPORT SECURITY PROGRAMME

Question No. 2,901—**Mr. Forrestall:**

Will the $.5 million cutback in the Airport Security Programme affect the employment in Atlantic Canada of any members of the Canadian Corps of Commissionaires and, if so, in what locations?

Hon. Jean Marchand (Minister of Transport): It is not anticipated that the $.5 million cutback in the Airport Security Programme will affect the employment of any members of the Canadian Corps of Commissionaires in Atlantic Canada.

INVESTIGATION OF BOOKS OF AIR CANADA AND CNR BY AUDITOR GENERAL

Question No. 2,916—**Mr. Mazankowski:**

Will the expansion of the Office of the Auditor General and the investigation by Judge Estey of the financial structure of Air Canada lead the Minister of Transport to consider amending the CNR Act to permit the Auditor General to investigate annually the books of Air Canada and CNR?

Hon. Jean Marchand (Minister of Transport): Until Mr. Estey's enquiry has been completed and his recommendations made and studied, we will not proceed with any specific action on matters within Mr. Estey's jurisdiction.

Mr. Crouse: Mr. Speaker, on June 20 I placed on the order paper, a very simple but obviously embarrassing question to the government, question No. 2833 as follows:

1. How many consultants were hired by the Fisheries and Marine Service, Department of the Environment, in the past two years?

2. (a) What were their names and salaries (b) what was their length of employment?

3. Were public tenders called before they were hired?

Because over a month has passed since that very simple question was placed on the order paper, it seems to me that the government could provide an answer, and I wish it would do so soon as I should like to have that information.

Mr. Lawrence: Mr. Speaker, I too rise on a similar question of privilege in that all the questions answered today were asked at a period of time after one I asked, the answer to which is certainly within the knowledge of the Prime Minister. It pertains to potential conflicts of interest on the part of members of his cabinet. For the life of me I cannot understand why the question has not been answered before now. If this is the last day of the session and that question is permitted to die on the order paper, I warn the hon. member right now that it will be asked again in many more ways than that single way.

Mr. Benjamin: Mr. Speaker, I very rarely abuse the House with this kind of a question of privilege having to do with a question on the order paper. I have had one question on the order paper since January 22. The answers involved will be very relevant to the royal commission inquiry on railways in western Canada this fall. The parliamentary secretary would do all of western Canada a favour if he would ascertain what has happened to that question. Since it is the twelfth oldest question on the order paper and the only one standing in my name, I would appreciate if the hon. member would advise when it will be answered.

Mr. Rodriguez: Mr. Speaker, I too very seldom rise to ask when answers will be given to questions I have placed on the order paper. On November 25, 1974, I placed the following question on the order paper, to which I have not yet received an answer:

1. Does Power Corporation have any direct or indirect interest in exploration, importation, sale or transmission of any energy resource and, if so, what aspects and what resources?

2. Does the Deputy Minister of Energy, Mines and Resources have a direct or indirect interest by trust, family, or corporate device in Power Corporation or in any corporation providing capital of any kind in these areas and, if so, what is the nature of his holdings?

This question, which has been on the order paper since November and to which I have not yet received an answer, is extremely important to our conduct as opposition members in this House.

Mr. Reid: Mr. Speaker, I just want to assure hon. members who have made representations that I will undertake to get a progress report on their questions. I am sure that all hon. members will be interested to know that a total of 83 per cent of the questions on the order paper have been answered to date.

GOVERNMENT ORDERS

EXCISE TAX ACT

The House resumed, from Monday, July 28, consideration in committee of Bill C-66, to amend the Excise Tax Act—Mr. Turner (Ottawa-Carleton)—Mr. Penner in the chair.

On Clause 5 as amended.

The Deputy Chairman: Order, please. When the committee rose last evening Clause 5 as amended was under consideration, with an amendment proposed by the hon. member for Winnipeg North Centre, and the hon. member for Nickel Belt had the floor.

Excise Tax Act

Mr. Rodriguez: Mr. Chairman, to recap what we were doing last evening let me say that my colleague, the hon. member for Winnipeg North Centre, had introduced an amendment.

An hon. Member: Oh, no; not again.

Mr. Rodriguez: Mr. Chairman, I realize that the hon. member for Vancouver-Kingsway was not in the House all day yesterday so I will have to repeat what I said.

Last evening the hon. member for Winnipeg North Centre introduced an amendment to Clause 5 which asks that the rebate be extended to workers who must use their cars to go to and from work. In responding last evening the Minister of Finance pointed out in effect that it was essential to his program that no rebate be given to workers who must use their cars to go to and from work.

One of the interesting comments the minister made at that time was to the effect that one aim of Bill C-66 was to change the lifestyle of Canadians, dissuading them from using their cars for what he called luxurious travel. At the time I asked whose lifestyle would be changed by the bill. Certainly it would not force the rich to conserve energy because they can jolly well afford to continue to drive the largest cars possible, for any purpose whatsoever. Therefore no change will result in the lifestyle of the rich.

I also pointed out at the time that the government must maintain some credibility in the eyes of the electorate or the people the government governs. When the Canadian people see members of the cabinet sitting in the backs of great big limousines being driven from the Centre Block to the Confederation Building they lose confidence in respect of government credibility. This is not credibility in the eyes of the Canadian consumer.

The minister suggested last evening, in his reply to the hon. member for Winnipeg North Centre, that people should get involved in car pools. I do not see ministers getting involved in all kinds of car pools.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but his allotted time has now expired.

Mr. Rodriguez: Could I get an extension?

Some hon. Members: No.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment proposed by the hon. member for Winnipeg North Centre.

Amendment (Mr. Knowles (Winnipeg North Centre)) negatived: Yeas, 22; nays, 51.

● (1520)

The Deputy Chairman: I declare the amendment negatived. The hon. member for Regina-Lake Centre.

Mr. Benjamin: Mr. Chairman, I rise to—

[The Deputy Chairman.]

The Deputy Chairman: Is the hon. member rising on a point of order?

Mr. Benjamin: No, Sir. I am rising to continue discussion on Clause 5 and to move an amendment.

The Deputy Chairman: I regret, but the hon. member for Victoria was to be recognized for that purpose.

Mr. Benjamin: On a point of order, Mr. Chairman, we are in committee of the whole; you recognized me and I have the floor. Are you taking it away from me?

The Deputy Chairman: I recognized the hon. member, having the impression he was rising on a point of order.

Mr. Benjamin: Mr. Chairman, on a further point of order may I say I at no time said "point of order". I rose because you recognized me. I proceeded to speak. I was not rising on a point of order. You have no grounds to assume I was rising on a point of order.

The Deputy Chairman: Order, please. The Chair has no intention to enter into a debate with the hon. member for Regina-Lake Centre. The Chair rose to ask whether the hon. member was rising on a point of order. The hon. member for Victoria.

Mr. McKinnon: Thank you, Mr. Chairman. I can only say to my hon. friend from Regina-Lake Centre that if he had been recognized I probably would have risen on a point of order because I have been waiting for several days, through several New Democratic Party amendments, for an opportunity to move my amendment. I shall not take up a great deal of the time of the House. I should like first to state my amendment. I have copies of it. I have had some difficulty because, having had the amendment prepared, I was somewhat discomfited by the Minister of Finance producing an amendment which made some difference in the numbering of the paragraphs. I have had it redrafted, with the help of the finest legal advice I can obtain free of charge in this House. The amendment is as follows:

That Bill C-66, an Act to amend the Excise Tax Act, be amended in Clause 5 by

(a) striking out 'or' at the end of line 31 and adding 'or' at the end of line 36 on page 2 thereof;

(b) adding immediately after line 36 on page 2 the following:

(f) a person for the purpose of commuting between his residence and place of employment, where such person is unable by reason of physical disability to commute conveniently by another means.

(c) striking out lines 9 and 10 on page 3 thereof and substituting the following therefor:

the expressions 'commercial or business purposes' and 'physical disability' shall have much meaning as the

I am sure, Mr. Chairman, you will realize that as time went on it became more and more difficult to keep track of the amendments. I introduced into my consideration the amendment of the hon. member for Winnipeg North Centre which has just been dealt with, and the other amendment, and I now again have a newly revised version of my amendment. I therefore move:

That Bill C-66, an Act to amend the Excise Tax Act, be amended in clause 5, as amended, by

(a) striking out 'or' at the end of line 31 and adding 'or' at the end of sub-para. (g) thereof;

(b) adding after sub-para. (g) on page 2 the following:

(h) a person for the purpose of commuting between his residence and place of employment, where such person is unable by reason of physical disability to commute conveniently by another means.

(c) striking out lines 9 and 10 on page 3 thereof and substituting the following therefor:

the expressions 'commercial or business purposes' and 'physical disability' shall have such meaning as the

That is the amendment I should like to see adopted. I spoke on this subject twice previously during this debate. The simple thrust of the amendment is that handicapped people would receive rebates in the same manner as some other people. I am aware that the minister in paragraph (g) of his amendment included the following:

a person of such other class of persons as the Governor in Council may by regulation prescribe,

This may or may not relate to handicapped people. I leave it to the discretion of the Chair and the House, but I ask for very careful consideration of this amendment. I do not see why handicapped people, at a very small cost to the government, could not be included in this. It is important to these people that they have the support of the community. I ask, and would be most grateful for, the support of the House in respect of this amendment.

● (1530)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have a good deal of sympathy with what the hon. member has said. He referred to the clause which was reinserted as a result of reconciling the bill with the ways and means motion in subparagraph (g) which he recited, in paragraph (a) of Clause 5. I can give the hon. member an undertaking that I will seek out ways of achieving what he wants to achieve. I prefer to do it by regulation because of the wide variety of circumstances involved, because of the necessity of establishing the availability of transportation, and because of the necessity of establishing how we determine who is and who is not handicapped, which is difficult to do when you have a bland statement, if I may say so, in a statute, and also because of the difficulty of defining, for instance, such words as "commute conveniently" and other such language in the proposed amendment. These are difficulties which are anticipated, and the matter can be dealt with more flexibly and more to the hon. gentleman's liking, and also meet his purpose better than if it were put in the statute.

Having given him this undertaking, I gather the hon. member has the choice of either pursuing his amendment or of relying on my determination to achieve what he wants to achieve by regulation under this clause.

Mr. McKinnon: I am very pleased with the words of the Minister of Finance. It was precisely to enable the governor in council to define the meaning of those words that I thought they should be part of an amendment which applied to page three of the bill, which gives the governor in council the right to define the phrases "commercial or business purposes" and "physical disability". The only reservation I have about taking the word of the Minister of Finance is, of course, the uncertainty of the cabinet positions. I accept his word on almost anything, but there are others on the other side in whom I would not place so much trust, unfortunately. However, I do thank the minister, and perhaps any speakers who care to follow me might care to express an opinion on this matter. At present I appear to be in a "no lose" situation. I can either lose the amendment or have the minister break his given word to me.

I certainly accept the word of the minister that handicapped people will be allowed to get rebates if it is on the clear understanding that people generally known as handicapped, who have special provisions made to get to work and back, may claim a rebate. If that is so, it will be quite acceptable to me.

The Deputy Chairman: May I inquire of the hon. member for Victoria whether he wishes to proceed with the debate on this amendment or seek leave of the committee to have the amendment withdrawn?

Mr. Turner (Ottawa-Carleton): I want to make it perfectly clear that there are many variables in what the hon. member is trying to achieve. There is the definition of handicapped, there is the nature of the transportation which is eligible or not eligible for a rebate, there is the availability of substitute transportation, there is the purpose of transportation, and so on. I will attempt to incorporate all this into the regulations, if that could be achieved, to meet the requirements so far as possible, but the variety of situations is immense.

So far as possible I will try to meet the purpose of his amendment, but I think that no one can give him a guarantee. What I say as Minister of Finance binds the government, but no one can guarantee that the full blanket purpose he wants can be achieved because of the variety of situations which exists. However, I will do my best to try to reconcile the variables inherent in the situation.

Mr. McKinnon: In view of the promise which I believe I have from the Minister of Finance, I will accept the minister's undertaking and withdraw my amendment.

The Deputy Chairman: Does the hon. member have leave of the committee to withdraw the amendment he proposed?

Some hon. Members: Agreed.

Amendment (Mr. McKinnon) withdrawn.

Mr. Benjamin: Mr. Chairman, I regret the fact that the hon. member has withdrawn his excellent amendment. The minister has said that there might be difficulty in defining the word "handicapped". Surely that is not an argument. The Minister of National Health and Welfare and all provincial ministers can tell the Minister of Finance what the definition of "handicapped" is, and so can the Welfare Council of Canada and the people who administer the Canada Pension Plan. This reminds me of the kind of advice President Nixon received regarding the disadvantaged and black people in the United States, that is, "let us treat them with benign neglect".

We should not have had to ask the government to include something in this legislation that should be obvious. The handicapped should automatically be entitled to a

full rebate, whether they are driving for pleasure, driving to work, or driving for any other purpose. The government wants to chisel a few cents a gallon from paraplegics and people suffering from multiple sclerosis.

If the Liberals were true Liberals they would not need to be asked for such a provision. No member of the House should have had to move such an amendment. It should have been in the legislation. But oh, the cabinet, these benign fellows, these benevolent people, will do it by order in council and will define who is handicapped and who is not handicapped, whether they are driving a car or travelling by bus. The few tens of thousands of people in this country who are handicapped should be automatically precluded from paying the tax—they should be getting the full rebate.

I have a letter from a senior official in a branch of the government of Saskatchewan. He is a full time employee, a paraplegic who drives a specially equipped car. He is driving his car in contravention of this bill. He drives to work five days a week, twice a day. He is not entitled to a rebate. That would be in contravention of this legislation. The minister says he will give an undertaking to consider the situation. That is very nice and very big of him. Big deal! He gives an undertaking to consider this. I would think he should have moved his own amendment to the legislation. This shows the inadequacy of his dummy advisers on this legislation.

I am sorry the hon. member for Victoria has withdrawn his amendment. This is so obvious that it should be part and parcel of the law, not part and parcel of the benign neglect or benign consideration or benevolence of the cabinet. I will move an amendment, Mr. Chairman. I move:

That Clause 5, as amended, be amended by adding to subclause (c) immediately after the word "purposes", the words: "or a person who is handicapped,"

Mr. McKinnon: Mr. Chairman, I certainly did not intend to take up more time of the House on this matter. In my opinion the House can only operate when both sides co-operate. If the Minister of Finance tells me that it would make it easier to leave it to his discretion to define exactly what a handicapped person is and what commute means, I am willing to accept his word as a gentleman and as minister of the Crown. For that reason I intend to vote against the amendment of the hon. member for Regina-Lake Centre because I have confidence that the Minister of Finance will bring this in.

● (1540)

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I wish to make a very brief comment on the amendment. I intended to do so on the amendment of my colleague, the hon. member for Victoria, and I would just like the minister to add to the very generous, real, and honest undertaking he has given, a provision to the effect that it will not just be persons who are handicapped using their vehicles to travel but also those who have to be taken in vehicles. I am thinking of some of the vehicles provided by service clubs which carry handicapped people to clinics where they receive treatment. The service clubs should also be included in the list of exemptions, and I really feel that this is what the minister has in mind, but I would not want the opportunity to go by without giving him the opportunity to confirm my understanding.

Mr. Benjamin: Mr. Chairman, I appreciate the remarks of the hon. member for Victoria, but it is not a question of accepting the minister's word. I accept the minister's word, and if he will examine my amendment again, he will find that it does not just deal with people driving to and from work. This would exclude the handicapped completely whether driving for work, pleasure, or anything else. Is this country so hard up that we have to chisel ten cents per gallon from people who are handicapped no matter how they move around? The purpose of my amendment is to prevent that. That is all we are asking, and in no way can the minister give his word or his undertaking to incorporate that in an order in council. I would not expect him to do that. He cannot give us that kind of commitment at this point in time. There is no way he can, and I would not be so bold as to ask him to do so. All I am suggesting is that this amendment covers all the handicapped. They are entitled to a full rebate no matter how they travel. That is the thrust and the purpose of my amendment.

I wish to read to the House from a letter I received as follows:

. . . I am writing to you to seek advice on a matter which is giving me cause for considerable concern. It relates to the recent tax increases on gasoline.

In my professional capacity . . . one of my senior staff members, our Chief Record Review Officer, is a paraplegic. His only means of transportation, other than his wheel chair, is his car.

While it is quite apparent that the rest of Canadian society has to put up with the current gasoline price increases, I am wondering whether the government in Ottawa might be approached to give some kind of consideration to providing some relief to handicapped persons who rely exclusively on their vehicles for the purposes of transportation.

I appreciate full well that structuring and programming a proposal of this kind would probably create difficulties. However, in view of the fact that so many handicapped people, after rehabilitation, are able to lead relatively normal lives, I think it is a proposal which might be worthy of consideration, especially in view of the fact that most handicapped people—particularly in the category to which I have made reference—would find it virtually impossible to use a smaller vehicle.

There should be no question about agreement on this matter, even if my amendment is not worded well enough or is improperly placed in clause 5 as amended in order to accomplish the total exclusion of the handicapped from the payment of this tax, whether it is for driving to and from work, for pleasure, or for the countless times every year they have to go to clinics for physical therapy, considering the money they must spend on specially equipped cars, despite the money which service clubs raise for that purpose. It should not have to go to a cabinet meeting.

Mr. Baldwin: They shouldn't even have to pay the tax.

Mr. Benjamin: They should not have to pay it in the first place, but they should at least be entitled to a rebate for every mile driven in a specially equipped car, and I will not accept this nonsense about the definition of handicapped. Someone who has to have a specially equipped car is obviously handicapped. There should be no question about it, and if some bureaucrat sitting up in that gallery like a crow on a fence wants to nit pick about something like that, I would fire him tomorrow. There should be no question about it. The whole damn legislation is nonsense

in the first place, and then the minister says that he will give an undertaking to consider this matter. What is there to consider? There should be no question about it from any hon. member anywhere in this House or from any person in this country.

The fact that we would even countenance legislation which would require a handicapped person to pay one cent extra per gallon, for any gallon for any purpose whatsoever, does not speak very well for this government, for this parliament, or for the kind of society in which we live. I ask this committee to accept this amendment without any further discussion. If it is not prepared to do that, I am prepared to stay here until August or September.

Mrs. Holt: That is your intention.

Mr. Towers: Mr. Chairman, I had earlier proposed to support the amendment of the hon. member for Victoria. It was worthy of him and the people he represents, as it is of all of us. I am sure that all hon. members in this House have received letters such as the one which I would like to place on the record. It reads as follows:

> We are having problems as my husband has emphysema and cannot get his breath; can't walk but a short distance: and is unable to get out to go to town or around anywhere. We are wanting to know if we can get in on the tax exemption of the ten cents a gallon on gas. My husband has to have oxygen in our home which can be taken along by car or truck. Please let us know as soon as possible on this matter . . .

I presume that the minister will agree to include this category of person among those exempted, and I hope my colleagues will go along with me and reserve judgment on this and see just exactly what the application will be as it applies to these people. Personally I do not propose to vote on this amendment at this time in reserving this judgment.

Mr. Rodriguez: Mr. Chairman, I was not going to speak on this amendment, but I was moved by the eloquence of my colleague, the hon. member for Regina-Lake Centre.

Mr. Epp: We won't be moved by yours.

Mr. Rodriguez: I hope the hon. member and the hon. member for Victoria will be moved to agree to support the amendment put forward by the hon. member for Regina-Lake Centre.

Something else has occurred to me. The minister says that he will undertake to consider an order in council which would permit rebates to handicapped persons who must use specially designed vehicles or who must be transported to and from work. Surely one does not have to do too much checking to find out if a person is handicapped when he needs a car with special controls. Surely that would not happen if he were just pretending to be totally handicapped so that he could have the benefit of the rebate.

Surely it would not be difficult for the minister to accept an amendment which would permit those who are handicapped and who must use special vehicles, or be driven for pleasure or for work, to be excluded. They have to use those cars for their transportation. Surely it is not beyond this bureaucracy to devise that kind of system. In a country which designed the tallest freestanding building in the world are we saying that we are unable to deal with such a simple bureaucratic measure?

In a country which designs buildings in order to put on the magnificent exhibition of the Olympics in 1976, is its government incapable of designing a simple amendment which will permit handicapped people to be exempt from this iniquitous ten cents tax? We have accomplished the impossible. We have put up the highest stack and cleaned up air pollution.

An hon. Member: And sent it to Parry Sound.

Mr. Rodriguez: And we sent it to Parry Sound. That is Inco's way of solving that problem, but I am not asking the government to do anything as simple as that. I am asking it to do something even simpler. Very simply, we ought to design an amendment which will take care of that concern. Mr. Chairman, I have heard many assurances. I have heard the Minister of National Health and Welfare give assurances about the regulations governing certain types of disability under Canada Pension Plan disability provisions. We know what happens when regulations are implemented. The regulations determine if somebody qualifies. We have heard assurances given by cabinet ministers, and we have heard other ministers assure us that they will consider a matter. But, Mr. Chairman, the assurance to consider does not amount to a hill of beans.

● (1550)

Mr. Epp: Not to a hill of slag.

Mr. Rodriguez: As my hon. friend says, it does not amount to a hill of slag. The only assurance we will accept is the minister's assurance, in black and white, that he will accept the amendment proposed by the hon. member for Regina-Lake Centre. Alternatively, the minister can introduce his own amendment, which must be to similar effect. That is the only assurance the opposition will accept.

Sure, we know that the minister is an honourable man, but the bureaucrats determine how legislation shall be interpreted, and often they have the last word. I have seen their interpretation of Section 149(9) of the Unemployment Insurance Act concerning what constitutes an active job search. I have seen the decisions handed down with regard to disability covered by the Canadian Pension Plan. I have seen all this, and I am afraid it stinks. I cannot accept the minister's assurance, as the bureaucrats play a large role in determining the regulations.

I ask members of the Conservative opposition to my right to support the amendment. Surely the hon. member for Victoria will support us. Or, if the minister wishes to introduce his own amendment, perhaps he can consider the matter during the supper hour and then move it. Perhaps we could stand consideration of this part of the bill in order to allow the minister to bring in an amendment which will satisfy him.

I know hon. members are anxious to go on holiday, but the handicapped are equally anxious to hear the government's definitive answer. We are here to uphold their rights, and it is my responsibility, as a member of parliament, to do my best for the handicapped and to obtain a

commitment from the government not just a promise to consider.

I urge hon. members to support my colleague's amendment. Let them consider it as an opposition amendment, as the hon. member for Victoria moved a similar amendment. We would have supported it if it had been allowed to stand. We urge hon. members to vote in support of the amendment as we think that is the kind of assurance the handicapped of this country deserve.

Mr. Benjamin: Mr. Chairman, when I was speaking about the intent of my amendment I meant to say that the handicapped should be totally exempt from the effects of the tax and that rebates ought to be paid if they drive to work, drive for pleasure, or drive for any purpose at all, which could include driving for medical treatment, for physical therapy or anything else. As I say, they ought to be totally exempt. The effect of paragraph C of the amendment will be that it would give all handicapped people entitlement to rebate. The amendment would cover all those driving especially equipped vehicles. Certainly, hardly any except the handicapped drive such vehicles.

On second thoughts, perhaps my own amendment is deficient. Perhaps I ought to have added another subparagraph widening the definition. Possibly there ought to be amendments to other clauses in the bill. In any event, I think all hon. members understand what I, the hon. member for Victoria, and others have been trying to do. I hope the hon. member for Victoria will support this amendment which, I submit, will be of benefit to the handicapped. They ought to be eligible for a rebate of the gasoline tax, no matter for what purpose they drive.

An hon. Member: Then why not do it properly?

Mr. Benjamin: Speak out, doc; I suspect this question is bothering you; if so, why not make a speech?

I should be willing to accept the minister's word, if he will give an undertaking and I do not mean an undertaking to consider, but an undertaking to act. If he will undertake that subsequent orders in council under subparagraph (g) will apply to the handicapped, no matter whether they drive their own car, whether their spouse drives, or whether any other person drives, I shall be satisfied. After all, the vehicle will be registered in the name of the handicapped person, and anybody else with a driver's licence can drive the vehicle.

If the minister will consider giving an undertaking to do this, instead of giving an undertaking to consider, I shall be happy to withdraw my amendment. But we must obtain that total undertaking from the minister, and if he gives it I will accept his word more quickly than anybody else in this committee. But I want him to give that total commitment, namely, that the order in council will provide that all handicapped shall be entitled to rebates of this tax, no matter for what purpose the vehicle is being driven and no matter who is driving the vehicle.

In Regina many of the handicapped who go to the special facilities in the Wascanna Hospital are driven there by their spouses. But anybody else can drive the car whether or not the handicapped person is in it; and, therefore I suppose the government could lose some small sums of money. That could well be, Mr. Chairman, but I would rather take the risk that someone may try to do this, and I suggest it will happen rarely, than refuse the handicapped the right to rebate. Why should the handicapped who drive three or four times a week to the Wascanna Hospital in Regina pay ten cents per gallon more?

Proof of handicap could be supplied by the medical officer in charge of the case, who could witness or attest any kind of form which the Minister of National Revenue may devise for the purpose. The forms could also be signed by people connected with social agencies, municipal, provincial or federal. Any person connected with the medical field could attest. If that is what the minister wants, I suggest the Minister of National Revenue and his officials can design the appropriate forms to be signed by the handicapped, their families, and by medical and social agency personnel.

Surely the government is not worried because a few people may gyp it out of a few hundred dollars of tax. If the government is so worried, it can ask people to attest on any form it wishes to design. The important thing is that gasoline used by or on behalf of the handicapped should be subject to tax rebate, and there is no reason why this cannot be done.

I am certain this matter could be thoroughly covered in the regulations. I am certain that people connected with social agencies will co-operate fully with the Minister of National Revenue. Surely it is the least we can do. We have not been able to convince the government not to impose a tax on working people. We have not succeeded in that regard. Professional people may obtain a rebate, but not working people. Surely we can succeed on behalf of the handicapped.

If the minister will give a straight undertaking, not an undertaking to consider, but an undertaking to do as I suggest, I should be happy to withdraw my amendment. Unless he is prepared to do so, I think the committee ought to vote on the amendment.

Some hon. Members: Question.

● (1600)

Amendment (Mr. Benjamin) negatived: Yeas, 7; nays, 46.

Mr. Baldwin: Mr. Chairman, I intend to move another amendment on the same lines as the one I moved yesterday.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Chairman, I believe the hon. member for Peace River indicated yesterday that he has an amendment to page three. The hon. member for Rimouski told us he has an amendment to page two. Perhaps the earlier one should be taken first.

Mr. Baldwin: I will postpone mine.

The Deputy Chairman: I thank the hon. member for Winnipeg North Centre for pointing out that there is an earlier amendment. The hon. member for Rimouski did give the Chair notice of that amendment and we should hear him at this time.

[*Translation*]

Mr. Allard: Mr. Chairman, indeed I said yesterday that I wanted to move a subamendment to clause 5. I want to do so to enable the worker who has to use his car to go to work to be also eligible for the refund of the 10 cents tax on a gallon of a gas as the persons referred to in that clause.

Indeed, why such discrimination against a group of Canadian people who are subjected to the same laws and the same duties as other Canadians. Moreover, that tax penalizes more especially the active class of our society. The government is penalizing the workers who through their labour enable the companies and certain classes of society to increase their profits.

This week's *Financial Post*, dated July 26, 1975, features a list of more than a hundred of the largest companies in Canada whose sales have increased by 23 per cent in 1973-74, thus rising from $52 billion to $64 billion. However, out of that amount, only about 3 per cent represent a real increase, the remainder being the result of inflation.

Mr. Chairman, our economic policy is meant to promote constantly the increase of capital at the expense of labour and the purchasing power of our fellow citizens. Anyhow, in this context, the rich gather billions in net profits thus reducing the purchasing power of our fellow citizens.

And those who suffer most from it are low income earners and the citizens who do not have a decent or appropriate purchasing power. The pretences advanced by the government are at best doubtful when they say that the tax is imposed to conserve gas and establish uniform prices throughout Canada. First, nothing proves there will be economy in that field. They also claim to establish a unique gas price by taxing one part of the population to the prejudice of the other part. In fact, this other part of our society is the poorer, the worse off. The government seems to be doing backward socialism. At least, they are doing so in the present case. They penalize the poor to give to the wealthy. Therefore, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That clause 5 be amended by adding, after subclause (g) subclause (h) which would read as follows:

Paragraph (h) would read as follows:

a worker who must absolutely travel a minimum of twenty-five (25) miles a week in his own car to reach his place of employment.

[*English*]

Mr. Benjamin: I rise to support the amendment moved by the hon. member for Rimouski. I presume it has been accepted as being in order.

The Deputy Chairman: The Chair does have some reservations about the amendment inasmuch as it appears similar to that moved by the hon. member for Winnipeg North Centre. However, the hon. member for Rimouski did point out that he was seeking to make a subamendment thereto, and for that reason the Chair will allow it to be debated and disposed of by the Committee.

Mr. Benjamin: Thank you, Mr. Chairman. I appreciate your ruling as, I am sure, do my hon. friends. I rise to support this amendment. While it is similar to the amendment moved by my hon. friend from Winnipeg North Centre, it allows for an element of choice. A worker who had no suitable alternative transportation available to him would be eligible for the rebate in certain circumstances.

As all of us know, of course, there are hundreds of thousands of workers for whom no choice is possible. They are bound to use their cars to go to work until such time as society provides an alternative means of transportation. Administration is simplified by the provision that only those who must drive 25 miles a week to work will qualify. In other words, those who drive fewer than 25 miles a week can walk or, possibly, ride a bicycle.

The minister, in making regulations, can require the employer concerned to attest to the number of days a week, or months a year, in which the employee drove his vehicle to work. After all, the employer has a record of the number of days upon which the employee attended. The employer or his representative, say a foreman or an accountant, whether it be a big corporation or a company with only two or three employees, can append his signature and attest to the application for a rebate. There is no problem about that. I am sure that the advisers to the minister could find additional words to put in the regulations to provide that any employer who makes a fraudulent attestation will be in real trouble, along with the employee.

● (1610)

Workers from a rural area who have to drive ten or 15 miles to work and who have no alternative mode of transportation surely present no danger, and can hardly be said to be defrauding the Government of Canada of the ten cents a gallon tax. The amendment moved by my hon. friend providing a minimum of 25 miles per week is much easier for the Minister of Finance to accept than was the one moved by my hon. friend from Winnipeg North Centre. If I may be so bold, I say it is probably a wiser amendment in terms of administration and in terms of applying it to people all across the country—I say that while my hon. friend from Winnipeg North Centre is out of the chamber for a few moments.

While this amendment does not go as far as the previous one, I submit it is much easier to accept in the context of the philosophy of the minister regarding what he is trying to do in this bill, which is first to raise money, and secondly to exempt certain categories of workers. This amendment relates to a category of worker who may inadvertently have been overlooked but who nevertheless has no alternative but to drive at least 25 miles a week to work.

People in the city of Regina who live less than two and a half miles from their place of employment and make ten trips to and from work a week will not be eligible for a rebate under the terms of this amendment, which shows how reasonable it is. If a person living in Lakeview, the part of Regina where I live, is employed on Broad Street or Winnipeg Street in the eastern part of the city, he is only two to two and a quarter miles from his place of work, and if he goes to work five days a week and does not work overtime or extra days he will not be eligible for a rebate. On the other hand, a person who lives in Albert Park in Regina and is employed at the Interprovincial Steel plant or several other related industries a mile or more north of the city limits, will have to drive 14 to 20 miles a day to

and from work. Such a person would be eligible for a rebate because he has no alternative mode of transportation.

In the case of a car pool, surely a person who is using his car and who is hauling three of four fellow employees to work should be entitled to a rebate. He is contributing to one of the objectives outlined in the bill by the minister, that of conserving energy and making people use an alternative mode of transportation. This amendment is so reasonable that if I were on the government side of the House I would have to vote for it, even though it was moved by a member on the opposition side. Half, or probably more than half of our working people who drive less than 25 miles a week to work are excluded from the provisions of the amendment.

I do not doubt for a moment that in most medium and small sized cities, towns, and villages across Canada the majority of workers would live less than two and half miles from their place of employment, and as such they would not qualify for a rebate. The minister could also provide in the regulations that in the case of a minimum rebate of $10 there would be a two or three month wait before application could be made for a rebate. If I recall the earlier debate on the bill, they could only apply twice a year in any event, so this would present no large additional amount of paper work on the part of the Department of National Revenue. It also occurs to me that this kind of application for a rebate, including applications from the handicapped, should require the applicant to make an attestation and to provide any evidence required for the purpose of obtaining a rebate. I ask the committee to accept what is a good amendment, one that would allow a limited opportunity to working people to apply for a rebate.

Mr. Jones: Mr. Chairman, I should like to speak to this amendment. May I first of all point out that I am not in favour of this ten cents gasoline tax.

In applying this amendment I find it difficult to see how any department or bureaucrat could interpret it, either strictly or benevolently. This reference to "a worker who is a worker" reminds me of the Biblical phrase "who is my neighbour?" It is difficult to define. Throughout the debate on this bill there has been an implied or inferential differentiation between a businessman, a professional, and a worker. I think it has already been said that businessmen and professionals are workers who sometimes put in longer hours than the so-called workers. I am concerned that even a professional man or a businessman, or whatever the case is, be entitled to a rebate only when the gas he uses is for commercial purposes. I suggest that whether it be a professional person, a businessman, or a worker going to and from his place of employment, the same situation applies. I wonder whether my interpretation under the Excise Tax Act is correct or not. Perhaps the Minister of Finance would respond before I proceed any further.

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I am happy to support the amendment motion of my good friend, the hon. member for Rimouski (Mr. Allard). First of all, 25 miles a week is not a high mileage, and second, if the government accepted this minimum of 25 miles a week, for all practical purposes the tax of 10 cents a gallon would no longer exist. The tax would no longer exist because I believe that if the government accepts this amendment, it will also avoid a lot of headaches for the Minister of Finance and the technocrats who have to collect these 10 cents a gallon.

Most of those who are owners or chairmen of companies are exempt from the tax and can claim the 10 cents a gallon rebate at the end of the year. These same owners often own a farm or have other employment apart from owning the companies. I would like the Minister of Finance to tell the House how the technocrat or the one who will have to decide what percentage of the yearly mileage will be eligible for the rebate will determine how many gallons will be subject to a reimbursement of the 10 cents a gallon tax at the end of the year, and it will have to be specified that the technocrat will determine what percentage of use of the vehicle was for company purposes and which percentage was for the worker or any owner of a company to get to work. There is nothing extraordinary about owning a company. It costs about $300. Any worker with a good job who makes $12,000 or $15,000 a year can own a company.

Several members of the House of Commons own companies. Several senators also own companies. These companies have vehicles registered in the name of the company. Are these vehicles used by the member? I would like to give an example to illustrate my point. If the company owns a 1975 Chevrolet registered in the name of the company, for instance, and the member of parliament owns a 1975 Oldsmobile to travel to Ottawa and takes the Chevrolet with the credit card of the company to travel to Ottawa, it means that this hon. member will not pay the 10 cents a gallon to drive to Ottawa, because he uses a company car. He leaves the Oldsmobile to the company for the week, or month. I say this amendment gives a chance to whoever must solve the problem, because I feel that act will be almost inapplicable, perhaps in fact but not legally.

I feel that from the legal point of view, there will be many pitfalls which will give many a headache to the Minister of Finance who is of good faith and who wants, precisely, through his bill, to save oil by forcing one class of society, that of the small worker, to use public transports. That may save money also for parking lots and other things over the long term. In a way, I agree with him. However, how is he going to apply the act? That is the problem. There is another bill which will be put through the mill again next year with several amendments. It would be better to amend it now to clarify the situation and pass the bill as soon as possible so we can then leave for holidays. That is why I feel the situation must be cleared up right away, so that we can leave for our holidays this evening or tomorrow. We must make it clear, Mr. Chairman, otherwise we shall never get through. In all modesty, I am the owner of two companies, one of them possesses a vehicle. Which vehicle shall I drive to go to Ottawa? The one which is registered in the company's name or my own? Which one?

And most senators are in the same situation. Several members have farms or companies in their names, even big oil companies, and have seven, eight or ten vehicles in their backyards. I recently visited one which owns six or

seven vehicles. The company is very prosperous. The hon. member can choose between six or seven cars to drive to Ottawa. He will get back his 19 cents a mile, and the 10 cents as well, if he drives the car which is registered under the name of the company, and uses the company's credit cards. What are they going to do to collect all that? How will the Minister of Finance decide and how will be officials of his department decide? This is the problem and this is why I would like the amendment, which practically aims at cutting off the 10 cents tax a gallon for certain people, particularly working people, to be adopted.

● (1620)

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, as you have pointed out, this amendment is similar to the one I moved last evening which was defeated a little while ago. However, there is a difference. My amendment sought to extend the right to rebates to workers generally who use their cars to get to and from their places of employment, whereas this amendment would make the rebates apply only in cases of workers who travel at least 25 miles a week. It seems to me that if members were not willing to accept the other one they might consider this one, which is a little less but at least a move in the right direction.

However, the main reason I rise for a minute or two is that since the defeat of my earlier amendment, we have had a discussion on the question of an exemption for handicapped persons. May I say that it was both welcome and interesting to note that the minister seemed to have relented a bit from the stern position he took earlier. He indicated that in that case he was prepared to consider doing something by order in council.

I wonder if this softening of his thinking has carried over into the case of the workers. Is he prepared to accept any kind of amendment or proposal that would give the exemption to workers in certain cases and, if so, is he prepared to do that by accepting some form of an amendment to the bill, or is he prepared to give the kind of undertaking he gave earlier to the hon. member for Victoria and others in the House, namely, that he will look at the whole question of this tax as it applies to workers?

The minister must realize that, apart from the fact that we are against the bill as a whole, this is the feature of it which has been most offensive, namely, the non-recognition of the money workers have to spend on getting to and from work. I put the question to the minister again: Has he softened his position at all, and is he prepared to look at this thing, perhaps not with the same kind of commitment I think he gave regarding the handicapped, but at least with some sympathy for the problem faced by those workers who have no choice but to use their automobiles to get to and from their places of employment?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I stated our position fully last night.

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment in the name of the hon. member for Rimouski.

Some hon. Members: Out, out.

Amendment (Mr. Allard) negatived: Yeas, 17; nays, 49.

● (1630)

The Deputy Chairman: I declare the amendment lost. Before recognizing the hon. member for Peace River I should point out that the Chair has been advised that the hon. member for Red Deer also wishes to introduce an amendment. We will proceed with that first.

Mr. Towers: Thank you, Mr. Chairman. I think I was the thirty-third speaker from our party to speak on this legislation on second reading, and hopefully our message has got through to the minister. The message we receive from the government is that gasoline is worth more than Canadians have been paying for it, and that wine will cost less because it has been too expensive. The government is telling the Canadian taxpayers that they should remain at home, use less gas and drink more wine. In other words, the Liberal message is: do not complain about paying the dime, you will get used to it over a period of time, and if you can't afford to drive your flivver stay at home and become a wine bibber.

I received a letter from a constituent which I should like to place on record. It states in part:

> But, now let me explain why I'm really writing this letter. When I heard that the tax on a bottle of wine went down six cents I nearly exploded from anger! To think a government is so ridiculous as to do such a stupid thing makes me rage . . . I plead with you to do all you can to stop this foolish business!

In the absence of the hon. member for Vegreville I wish to move an amendment on his behalf and say a few words in support of it. The hon. member for Vegreville merely wants to know whether or not the Minister of Finance will make a commitment in this House to alleviate some of the resultant problems of the tax which have been explained by hon. members.

Even though the minister states that the industrial construction industry uses gas eligible for refund he must by now have commenced to realize the importance of the point we have been trying to make in respect of the unnecessary additional cost of financing to bulk dealers, fishermen, farmers, large trucking operations and others. Housing contractors too will require extra funds, the carrying charges of which will be borne by the payee, the Canadian consumer, who ultimately will be the permanent loser. In many cases federal and provincial governments' revenue will be affected, particularly in the building of roads and highways. If this bill is not altered there will not only be high administrative costs but higher pay-outs to various road construction firms.

There is absolutely no way anyone could make a fair assessment of what the actual cash layout will be under this ludicrous and useless legislation. It is frustrating enough to have "no" automatically voiced by the government daily to every Standing Order 43 motion presented to this House, but now the same tune is being picked up by government members en masse when logical amendments, beneficial to Canada and Canadians, are proposed by members on this side of the House. Backbenchers should consider the effect such a measure will have on their constituents instead of blindly nodding their heads in silence, or speaking without any sound basis to support

every bill the government presents to parliament. I would hope for once they would think about these things.

My colleagues who have opposed this tax measure are in favour of this amendment, which I do not believe the minister can refuse under the guise of discrimination which was given as the reason for not accepting an earlier amendment. I move, seconded by the hon. member for Huron-Middlesex:

That Bill C-66, an act to amend the Excise Tax Act, be amended in clause 5 by striking out line 46 on page 2 thereof and substituting therefore the following:

'that tax, except that the minister may provide that the tax is not payable by a purchaser where it can be established without delay and beyond reasonable doubt at the place of sale that the purchaser belongs to a group of persons described in this subsection.'

On Friday the minister told the hon. member for Vegreville that he was optimistic about allowing exceptions for bulk commodity carriers for large urban industries. Can the minister confirm this statement in light of written representations by the Minister of National Revenue to certain industries that Bill C-66 will not apply, with regard to exemptions, regarding bulk commodity carriers.

Mr. Turner (Ottawa-Carleton): Madam Chairman, I not only have received representations from the hon. member for Red Deer and his colleague, the hon. member for Vegreville, on whose behalf he presents a motion, but also from my colleagues from Assiniboia and Battleford-Kindersley. Last week in the course of debate on this bill representations were received from these four members in particular, and other members, that the bill be amended to provide an exemption for bulk purchasers of gasoline and also for users of marked gasoline, which is what is referred to in the amendment.

At that time I pointed out that there were some fundamental problems in tying the federal taxing statute to provincial legislation since this could be tantamount to a delegation of the taxing authority of parliament to provincial legislatures. I was worried about having a lack of uniformity in the application of the general tax across the country. I did undertake, however, that I was prepared to look for ways to streamline the operation of the bill.

In this context the government is prepared to amend Bill C-66 in such a way as to provide legislative authority to exempt certain purchasers of gasoline where this is administratively feasible. I must emphasize, however, that it is not certain that it will, indeed, prove to be feasible to provide an exemption in all of those instances suggested by the hon. member. However, I would like to assure the House that the government will do everything in its power to simplify the administration of the gas tax rebate system. To this end, if the hon. gentleman would be willing to withdraw his amendment, I think I have an amendment which would do the trick. It would put me in a position to investigate the possibility of achieving the streamlining of the system in a way that he described, and which has been described by the other members.

If the hon. gentleman would be prepared to withdraw his amendment, I would be prepared to move the following amendment:

[Mr. Towers.]

That clause 5 of Bill C-66, an act to amend the Excise Tax Act, be further amended by striking out lines 45 and 46 on page 2 thereof and substituting therefor the following:

'pay an amount equal to that tax,

(h) to the purchaser, or,

(i) in accordance with such terms and conditions as the Governor in Council may by regulation prescribe, to the manufacturer, producer, wholesaler, jobber or other dealer,

and any payment made to a person referred to in paragraph (i) shall, for purposes of subsection (2) and section 57, be deemed to have been made to the purchaser.'

I give the undertaking to the House that we will attempt to achieve by regulation what has been talked about here. The amendment I have read gives the Minister of National Revenue the authority to achieve this. I therefore move the amendment which I just read.

Mr. Towers: Madam Chairman, I am prepared to withdraw my amendment subject to a caveat being placed on the amendment proposed by the minister.

● (1640)

The Assistant Deputy Chairman: Is there unanimous consent to allow the hon. member for Red Deer to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Towers) withdrawn.

The Assistant Deputy Chairman: Is it the pleasure of the House to adopt the amendment moved by the Minister of Finance?

Some hon. Members: Agreed.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Mr. Baldwin: Madam Chairman, I should like to move an amendment on Clause 5. As far as we are concerned, hon. members to my left, who are prolific in ideas, may have other amendments to move. I simply want to say that I stated to the committee yesterday that I would be moving another amendment along the same lines as the one I moved yesterday to another part of the bill. I will not repeat the arguments I made then. They are obviously unattractive to the minister. But I think that the kind of discussion we had today in respect of the amendment offered by the hon. member for Victoria indicates the need to have some form of control by the House over regulations passed by the government.

The true purpose of taxation should be to take from each according to his ability to pay. If I added to that "give to each according to his need" it might be a motto well recognized by other sections of the committee. The hon. member for Nickel Belt, who is more familiar with the subject than I am, says I am correct. However, what the government is asking us to do is to give them a license to plunder. That is the kind of system under which taxation is imposed today. Accompanied with that license to plunder is the freedom to change, add to and subtract from the plundering without any opportunity for parliament to pass judgment on what is being done. Some day this parliament will be told by the people of Canada, who I think are getting fed up to the teeth with this sort of fiscal arrangement, that they will put a short rein, not only upon

this government but upon any government, whether it is Conservative, Liberal or, what is even more unlikely but nevertheless more necessary in that case, a socialist government. My friend here says we have a Liberal and a socialist government, the front end is Liberal and the rear end is socialist.

What we have now is a situation in which the governor in council, at the instigation of the minister who has been prodded by his officials—it may not be this minister but some one else—may set an arbitrary, artificial, capricious,—and politically motivated frivolous—I have other adjectives but I stop there, the minister knows what I mean—order in council to establish the restrictions on or additions to the kind of people who will be eligible for rebates. For example, under this legislation, particularly Clause 5 which purports to amend section 47 of the Excise Tax Act, we find the phrase "a person for commercial or business purposes". In the name of heaven we all know what that means. The minister knows what it means, the officials should know what it means, and even my friends to the left should know what it means. These words have connotations and understandings which, over many years, have become fixed in our life, and for the government to say they want the right to put an artificially twisted and contorted interpretation on what "commercial or business purposes" means so they can make the rules as they see fit from time to time, is not attractive to me.

Under those circumstances, I have no alternative but to move the following amendment:

That Clause 5 of Bill C-66, an act to amend the Excise Tax Act be amended in Clause 5

(a) By striking out line 12 on page 3 thereof and substituting therefor the following:

"Regulation subject to negative resolution of the House of Commons"

(b) By striking out line 21 on page 3 thereof and substituting therefor the following:

"In Council may by regulation determine subject to negative resolution of the House of Commons"

If I had time, I might have added a third amendment which would have covered the amendment which the minister just brought in and which gives power to the governor in council to act by regulation, but I will not do that.

I will simply conclude with these words, that I do not think we should sit idly by and allow the government to do all these things, to make these changes, without some means of bringing back to the House an opportunity to pass judgment on what they have done. The dilemma of the hon. member for Victoria makes this quite plain. The hon. member says he takes the word of the minister, and this party agreed with him. We did not vote for the amendment of the hon. member for Regina Lake Centre. But that should not be required. There should be an understanding that any hon. member should not have to rely on an undertaking by the minister. There should be a proper procedure by which orders in council come back to the House, and an opportunity given to the House to pass judgment on them when the occasion arises. It is in that sense that I move the amendment.

Mr. Turner (Ottawa-Carleton): Madam Chairman, the hon. member for Peace River and I had a full dialogue on the same subject last night.

Mr. Baldwin: It sounded like a monologue to me.

Mr. Knowles (Winnipeg North Centre): Madam Chairman, not only do I wish to support the amendment proposed by the hon. member for Peace River, I want to commend him for his persistence. I urge him to keep at it, even if it takes 20 or 25 years to win his point. I realize that there is a general desire to get out of here, but when an important issue like this is raised, I do not think it is good enough for the Minister of Finance simply to rise and say that we have had this dialogue before.

● (1650)

I think the point is well put. It is introduced in a different context than when we had it previously, and I suggest that the hon. member for Peace River is being quite reasonable in proposing that certain orders in council, as indicated on page 3 of the bill, be subject to a negative resolution of the House of Commons.

I will say again as I said yesterday—and like the Minister of Finance I am not unwilling to say it over again, but of course it is because I am saying what is right—that if the hon. member for Peace River were proposing an affirmative resolution, that could be a delaying process. It could make it pretty difficult for the government to govern. That is not what the hon. member for Peace River is asking. He is asking that when orders in council have been proclaimed for the purposes set out on page 3 of the bill, they be permitted to come into effect, but that it be possible for a member in the House of Commons, within the rules, to put down a motion calling for those orders to be nullified. Only if such a motion is carried are those orders nullified, and in the circumstances of this parliament in particular where there is an overwhelming majority, the chances of that happening are very slim.

I will make the point again which I made yesterday, that this sort of thing can have a salutary effect. I think that when a minister is getting an order in council, especially in the tax field, he should have to ask himself whether it is going to get by, or whether it will result in members of the House putting down negative resolutions. That sort of questioning which he should engage in would surely encourage a minister to bring in the kind of orders in council which would be accepted.

As I say, a few years ago this was a relatively new idea. The hon. member for Peace River made headway when he got the Minister of Finance in one of his previous incarnations to bring in a bill which provides for affirmative and negative resolutions, but now the problem is to get them to be used when an actual situation arises, and I think this is a good place to put the practice into effect. I support very strongly the proposal of the hon. member for Peace River.

Mr. Baldwin: Madam Chairman, I rise on a very brief point of order. I will not intervene again, but the hon. member for Winnipeg North Centre talked about my being here for 20 or 25 years to see these dreams of mine come into effect. I only want to say that if I discovered the

fountain of youth, I would probably find the government imposing an excise tax of $10 per cup.

Amendment (Mr. Baldwin) negatived: Yeas, 20; nays, 50.

The Assistant Deputy Chairman: I declare the amendment negatived. Shall clause 5, as amended, carry?

Some hon. Members: Carried.

Some hon. Members: On division.

Clause 5 as amended agreed to.

On clause 6.

Mr. Knowles (Winnipeg North Centre): Madam Chairman, will the minister tell us what clause 6 means?

An hon. Member: Just what it says.

Mr. Clark (Rocky Mountain): You must have a prepared speech on that one, John. Surely they have briefed you.

Mr. Turner (Ottawa-Carleton): Madam Chairman, this provides merely, as it says, for the recovery of amounts refunded where the person claiming refund does not maintain the necessary records to support his refund claim.

Mr. Knowles (Winnipeg North Centre): How is an individual to know whether he has kept records which are satisfactory to the government?

Mr. Turner (Ottawa-Carleton): With just the same type of receipt which is now required.

Clause 6 agreed to.

On clause 7.

Mr. Knowles (Winnipeg North Centre): I wonder if the minister would give the same kind of elucidation to clause 7 which he gave to clause 6?

Mr. Turner (Ottawa-Carleton): This clause requires people who make refund claims to keep books and records in support of such refund claims.

Clause 7 agreed to.

On clause 8.

Mr. Broadbent: Madam Chairman, I am rising to propose an amendment to Clause 8. We find it to be necessary following the determination of government members to beat back all reasonable amendments which have been proposed by the official opposition, by members of the New Democratic Party, and by members of the Social Credit Party. I am thinking in particular of the amendment supported by everyone on this side of the House which would have given a rebate to ordinary working Canadians driving to and from their places of work, which the Liberals saw in their infinite wisdom to be the kind of amendment they could not, of course, accept, and therefore defeated. I am also thinking of the amendments which were proposed here today by all three opposition parties with particular reference to the handicapped.

I therefore move:

That clause 8 be amended in line 1 on page 5 by deleting the words "ten cents" and by substituting therefor the words "one cent".

[Mr. Baldwin.]

The logic of this amendment should be inescapable, even to the hon. member for Vancouver-Kingsway, who has frequent difficulty in following logic from point A to point B, let alone going from point A to point B. I am sure that even that hon. member can understand the logic of this amendment, and if she really concentrates with all her ability she could probably cope with it.

The point of my amendment is that by reducing the tax from ten cents to one cent we will simultaneously reduce the degree of injustice inflicted upon Canadians by some 90 per cent. If the amendment were passed, we acknowledge that the minister would have to raise the money to pay for the increase in the price of oil imported off the east coast by some other means. He could adopt any one of the suggestions made. He could levy a special income tax on upper income Canadians or a special tax on the petroleum industry. Probably the best way would be to take it out of general revenue. This would mean that the people who pay personal income tax on a progressive basis, as well as the corporations, would contribute the money to pay for these additional costs.

• (1700)

Any of these possibilities would be preferable to the government's decision to levy a flat ten cent per gallon excise tax on all Canadians who drive automobiles, 95 per cent of whom drive to and from work because there is no alternative. If the Minister of Finance had been prepared to include one of the election promises in the budget, and had proposed to do something about urban transit systems, we might have been more favourably disposed to his rhetoric about changing lifestyles. The only change possible will be that which comes from the increased financial burden on average and low income Canadians who have less disposable income to spend on the other aspects of life.

Even at this late stage, I urge that some modicum of sense impinge itself upon the consciousness of the Liberal Party. I have no hope for the hon. member for Vancouver-Kingsway, but I have a little for some of the others. It might get through to them at this late stage in the debate that they have an obligation to do something on behalf of low income Canadians instead of doing something to them.

Mr. Rodriguez: Madam Chairman, here we are again. This party is trying to be very helpful by making proposals to the government. We have again put forward a constructive amendment which would eliminate much of the breaking up of society into little groups by the government and then taxing them. This amendment proposes to tax everyone one cent per gallon, and this of course would be applied universally. There would be none of this bureaucratic action in separating groups and making it possible for the minister by order in council to decide who is handicapped and who is not. It will not be left to the whim of bureaucrats to decide taxation, since they have not been elected by the people of Canada. It seems to me this is the most honest and equitable way for the government to go about raising the funds that they say are required.

I recall the minister saying last evening about one of our other constructive amendments that the idea was to get

people to change their lifestyle. As I pointed out, with the ten cents per gallon excise tax the lifestyle of the poor would certainly change; they could sit home and drink wine. The lifestyle of the rich would not be changed by introducing this amendment to reduce the excise tax to one cent per gallon, but the effect of the tax would not fall so heavily on the workers.

We have pointed out time and again the impact of this ten cents per gallon tax. It places a very difficult burden on those people who live in Nickel Belt where everyone has to drive a considerable distance to work. The minister said last night:

> But, to give a deduction of the expense of getting to work would be to give a tax subsidy to those who choose to drive rather than take public transit—to those who choose to live far from their place of work, rather than close, and to those who choose to drive a large automobile rather than to those who drive a small one.

People do not choose to live far from their work. In my riding, people would rather live close to work but as a penalty for building a home where they can afford it this government places an extra burden on them. This tax will take a big chunk out of their budgets and will be an extra hardship on many with families to raise. We are faced with the juggernaut of power on the government benches. We have put up a fight against the ten cent tax and got nowhere. We have tried to talk reason and have proposed constructive amendments, but are obviously not getting anywhere so, since we abhor this kind of tax we propose an amendment to reduce it from ten cents per gallon to one cent per gallon. At least the wealthy would be able to pay that tax and it would not be such a burden on the poor.

Members tend to think of their own ridings and I think of mine. In the last election the Liberal candidate was promising to remove the railway tracks from Sudbury and the Liberal candidate in my riding was saying "I want the railway tracks in Nickel Belt". The public transit system we were promised would have alleviated the problem, but people in areas like mine do not have it. The ten cents tax would be a great burden, so our proposal to amend it to one cent is a reasonable way of raising the money the government says it needs. We have proposed alternate ways of getting the money and have suggested economies the cabinet might adopt by changing their driving habits. We have suggested they pool their limousines and drive smaller cars. We have suggested economies which could be implemented by the government as an example to the working people. It is only when the government shows that they are prepared to economize that they can say to the people "Don't do as we tell you, do as we do—look how we are running the country on your behalf".

The way we are squandering the resources of this country cries out to heaven for some recognition. When we look for leadership, we look to the people who were elected to govern and say "That is an example I can follow". I suggest the ministers pool their cars and possibly use Volkswagens. Surely an across the board tax of one cent a gallon will not affect the economy drastically. You see, we are caught in a terrible game. The workers of my area will pay ten cents a gallon more, and will ask their employers for more wages. They will say, "This tax is eating into the family's budget; you must compensate us for it." They will try to bargain, and a strike may or may not follow. If there is no strike, it means that the employer has "come across". But the employer will need to charge more for his wares and, to that extent, this tax is inflationary.

● (1710)

We propose an across the board tax of one cent per gallon. It ought to be paid by all, and would not impose a hardship, even on doctors who make emergency calls at night. I assure the minister that doctors are recompensed by OHIP in Ontario. When they receive a call in the middle of the night, they charge OHIP. They do not work for nothing.

It seems to me that the minister would collect just as much money if the tax were one cent a gallon across the board. The money could be raised by other means. Why not impose a tax on those who can afford to pay, on those who can afford to bet on the horses? All he need do is impose a tax on bets made at race tracks in this country, and he will raise a great deal of money. In the province of Ontario alone he could raise as much as $9 million a year from thoroughbred racing. If we extrapolate the figures to cover standard breeds and other forms of racing, I am sure the minister could raise $100 million by using this means. And by taxing people who could afford to play the horses, the minister would be acting fairly. He is not fair when he taxes those who must use their cars to go to work.

I submit that this tax will bear hardest on those workers who are not members of unions and who cannot afford to exert pressure on their employer to compensate them for the increase in cost of driving. Most workers are not represented by unions. Such workers are employed as waitresses, or in similar occupations; they are unorganized and, in most cases, do not earn very much. It may not be worth their while to go to work if they must pay this tax. As a result, they may give up their jobs. The unemployment insurance people will step in and the notation will appear on the appropriate documents "left for unjust cause." Tax those who can afford to go to the race track, not those who must drive to work.

An hon. Member: But you have a large race track in your riding.

Mr. Rodriguez: Yes, there is a race track in my riding. It seems to me that we should follow the precepts of our income tax system and charge those who can pay. The contribution of the taxpayer ought to reflect his ability to pay. I remind the hon. member for Peace River and others in his party of the slogan, "From each according to his ability to contribute." I put that in its proper capitalist context.

We therefore say, that the one cent per gallon tax across the board is more equitable, and is more in line with the provisions of our income tax system. The minister attempted to equate this regressive tax with our income tax structure. How can you equate this regressive tax with the income tax structure as, by and large, the income tax structure is more just and progressive? This particular excise tax is not a progressive tax. It is regressive, because it is to take from those who do not have and, invariably, will give to those who have.

I do not wish to delay hon. members as I know they are anxious to go on holiday; but so are the people in my

riding anxious to go on holiday. They will find it more expensive to drive their car, tow their trailer, or drive to their cottage. That is their only enjoyment. They cannot fly from Mirabel to Florida or Europe. They depend on their cars to go to the cottage. That may be their only enjoyment. After many spent years working in the mines, now they look forward to being off work for three weeks and being on holiday in the summer. Our population is mobile, and the ten cents a gallon tax will limit their ability to enjoy their holidays. These people use their cars mostly to go to work, in any event.

I repeat that we are proposing a one cent a gallon tax applied universally, as that seems the fair way of going about it. I know there may be some inequity in my suggestion, as those who have much money will pay the same amount of tax per gallon as those who do not have much. At least our proposal will not bear so heavily on those who must work and are active in society.

The present government proposal lets those who have money off the hook. It will not touch them at all. It even provides that if some of them are called out in the middle of the night, they can claim a rebate. As I said, I do not wish to keep hon. members from their holidays. I know the minister has his station wagon packed. It is loaded and the kids are ready. His bags are packed, and they are all ready to go away on holiday in their car. He is lucky he can afford ten cents a gallon excise tax. Many of my constituents cannot. They will spend the summer at the cottage, drinking wine which is now six cents cheaper. That is the working man's enjoyment. I see the Postmaster General saying, "That is right, that is right." I'll bet he is not drinking Cawtaba these days. I know he does not drink Cawtaba.

An hon. Member: He used to, many years ago.

Mr. Rodriguez: I tell you this situation is so bad that it is driving people to drink.

The Assistant Deputy Chairman: Order, please. I remind the hon. member that debate at this time in committee of the whole ought to be limited to the amendment before the committee. I ask the hon. member to limit his remarks to the amendment.

Mr. Rodriguez: Yes, Madam Chairman. The amendment we propose would impose a one cent tax per gallon across the board universally and without exception.

Mr. Darling: A good idea.

Mr. Rodriguez: The hon. member for Parry Sound-Muskoka says it is a good idea. It is an excellent idea. I urge members of the committee to accept it.

An hon. Member: No.

Mr. Rodriguez: Madam Chairman, members on the government side are shaking their heads and saying "no". It is very easy for members who make $22,500 per year plus travel expenses to impose an excise tax of ten cents per gallon which workers must pay. We can afford it. Every member of this House can afford the excise tax of ten cents per gallon. I submit that a tax of one cent per gallon would not be a heavy burden for those who make $22,500, plus travelling expenses. Hon. members should not complain. After all, they voted themselves a salary increase.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Come off it. You voted for the increase too and you, too, want to go on holiday.

Mr. Rodriguez: Madam Chairman, my father used to tell me if you see a pack of coyotes and throw a rock at them, you will always know when you hit one because of the yelping you will hear.

A tax of one cent a gallon would not weigh heavily on those who must work and produce the wealth of this country. Let me tell you, many people do not look on us as productive people. There are many who do not view us as productive.

● (1720)

An hon. Member: Bunch of fakers!

Mr. Rodriguez: These people work, and work hard. Perhaps the hon. lady from Vancouver-Kingsway ought to work in the Elliott Lake mines. Then, she would know what it is like to work. One cent a gallon, universally applied to all who drive, would certainly go a long way toward meeting the amount the minister says he needs to offset the shortfall in the fuel account.

Ten cents may not sound much to a person who earns $24,500 plus expenses, but it means a lot to workers at INCO who bring home $8,000 a year.

An hon. Member: Only $8,000 at INCO? Come on!

Mr. Rodriguez: Yes, that's right. Gasoline in our area now costs 80 cents a gallon. I am talking about regular gas. We have to cover the extra cost of transportation from southern to northern Ontario. This ten cents tax makes the problem worse. The people I have in mind did not choose to live out in the boondocks. It is not their fault there is no serviced land nearer the centre of town at prices they can afford. There is no way in which they can pay the price presently being demanded for a small suburban lot in Sudbury. As living becomes increasingly expensive, they are forced to open negotiations with the company. Sometimes those negotiations are tough and the men find themselves on strike in support of their demands. It is easy to call for order in this House. What I am saying is that when people find themselves in a tight situation financially their choices are extremely limited. Last July, all these people heard were promises—promises of support from the government, promises of improved transportation systems and so on. Then, lo and behold, the Minister of Finance hits them where they least expected it by imposing a federal tax upon a commodity they have no choice but to use.

Yesterday, I mentioned Shebandowin. It is some 60 miles from Thunder Bay. The workers must drive there because the company does not provide housing at the site. They are now in the second year of a three-year contract. In effect, they are locked in. There is no COLA clause in their contract. Now, they are being told they must pay ten cents a gallon more for their gasoline.

The Assistant Deputy Chairman: Order. I am sorry to interrupt the hon. member but the time allotted to him has expired.

Mr. Baldwin: Madam Chairman, we find ourselves in the official opposition facing a difficult choice. On the one hand, we think the amendment is a little ridiculous. On the other hand, the tax itself is a malignant one. So the choice is not an easy one. After some consideration we have decided to back the ridiculous amendment.

Mr. Benjamin: Madam Chairman, I appreciate the remarks of the hon. member for Peace River. We know perfectly well that the amendment will be defeated. Nevertheless, the amendment has a purpose which appears to me to be perfectly legitimate—it is to get the message through to the government and its advisers that this legislation is ridiculous in the first place.

It seems to me that hon. gentlemen opposite had better take another look at just what a sales tax is. The only element of fairness it contains is that those who can afford to buy most of the products, and who choose to do so, bear the heaviest burden of the tax. Those on low incomes who obviously purchase less of the commodity as a general rule, lose less of their disposable income in the form of sales tax. If a government applies a sales tax, it applies it across the board, or, at least, it provides for very limited exceptions—the handicapped might be excepted, for example, or those who have no choice but to buy the commodity concerned.

If the case in question involved the imposition of a tax of one cent a gallon on gasoline, everybody would pay it with, possibly, limited exceptions of those I mentioned. Those who bought the most would pay the most. It is rather like the sales tax on automobiles. The man who can only afford to buy a $4,000 car pays $200. But the person who wants to spend $20,000 on a car pays $1,000 in tax. To that extent, the tax provides for an element of ability to pay. But when the minister imposes a sales tax of ten cents a gallon and makes it possible for a certain group of people to write off some of it as an expense for income tax purposes, and, moreover, allows those in the higher income tax categories to apply for rebates, then he has destroyed whatever element of fairness there is in a sales tax. That is why we on this side have put forward an amendment to reduce the tax from ten cents a gallon to one cent a gallon.

The Assistant Deputy Chairman: The question is on the amendment. Is the House ready for the question?

Some hon. Members: Question!

Amendment (Mr. Broadbent) negatived: Yeas, 25; nays, 49.

● (1730)

The Assistant Deputy Chairman: I declare the amendment lost.

Clause 8 agreed to.

On Clause 9—*Commencement and application.*

The Assistant Deputy Chairman: Shall clause 9 carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause 9 agreed to.

Title agreed to.

The Assistant Deputy Chairman: Shall the bill carry?

Mr. Baldwin: On division.

The Assistant Deputy Chairman: Shall I rise and report the bill?

Some hon. Members: Agreed.

Bill reported.

The Acting Speaker (Mrs. Morin): When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Before recognizing the hon. member for Oshawa-Whitby, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Agriculture—Levy Charged on Manufacturing Milk—Government position; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Energy—Natural Gas—Possibility of Government Promoting Polar Pipeline through Manitoba.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-66, to amend the Excise Tax Act, be read the third time and do pass.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, before moving a third reading amendment I should like to deal more or less precisely, depending on response from the other side, with the substance of this bill.

When the government announced that it was necessary to raise additional revenue in order to compensate for the loss of revenue from the export tax to meet the increasing cost of importing oil to the east coast, the members of our party hoped that this revenue would be raised in some equitable fashion. There is no argument at all that the government was in the position where it needed additional funds. The only issue was how it set about raising those funds. Of the options open to it, the government could not

have chosen a more regressive means of raising the required money.

There are times when a user's tax is entirely appropriate and just. There are other times when a user's tax is just the opposite. In our view that is what we have at the present time. If it made any sense at all to argue that the vast majority of the people who drive automobiles have a genuine option in regard to driving them in terms of the necessity to get to and from work, then the argument put forward by the government might have made some sense. It would have made some sense to say that use of the automobile at this point in the twentieth century in Canada was a genuine option, and therefore if people chose to use that mode of transportation they should pay the additional tax that the government is imposing. However, just the opposite situation exists.

Most people in Canada go to and from work in an automobile because at this point in our history they have no alternative. Whether we are talking about tradesmen who have to go to construction sites many miles away from their place of work by an automobile because that is the only means, or whether we are talking about thousands of fishermen, longshoremen, loggers and miners who, by definition, have to travel to work by automobile, this whole range of workers are put in an unjust position by having to pay this tax.

I would also add to the list all people who live in suburban Halifax or suburban Montreal, Toronto, Winnipeg, Edmonton, Calgary or Vancouver, people who are forced to live in the suburbs because housing prices in the centre of those cities are such that it is impossible for people of average or low income to maintain a residence there. The situation has been worsened by the lack of an urban policy, an urban transit policy which the government could have developed over the past two decades. This lack of policy has meant that people must travel by automobile. In order words, virtually every worker in Canada today is in the position of having to rely upon the automobile as the means of transportation for getting to and from work. Therefore we conclude, Madam Speaker, that this tax is a regressive form of raising revenue, one that places an unjust burden on people of average or low income, and we will have nothing to do with it.

As I said earlier this afternoon, the fair way, in fact the only way of raising the additional funds required is to impose a special income tax on Canadians of upper income, or to use money derived from general revenue which comes both from income tax sources, which are at least relatively progressive, and from taxes imposed upon the corporate sector. Either of these methods would have been just, compared with the method used by the government.

We in this party proposed a series of amendments at committee stage. They were amendments that would have provided exemptions for working Canadians who are required to go to and from work by automobile, as well as for handicapped Canadians, to name just two important categories. But the government has seen fit to reject both. Thus it is our intention at this stage to take the same course of action that we took at second reading stage, namely, to oppose the bill. If the government had shown some readiness to move at the committee stage and accept some plausible and equitable amendments, then our position at this stage might have been something other than what is is. But as is characteristic of the Liberal party of Canada whenever it governs with a clear majority, the government has seen fit to go the way it determined upon originally, which is instead of distributing the economic burden in Canada in favour of the average or low income earner, to persits in aggravating the maldistribution of that economic burden.

This bill is something with which we will have nothing whatsoever to do. I therefore move, seconded by the non. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-66 be not now read a third time but that it be read a third time this day six months hence.

● (1740)

Mr. G. W. Baldwin (Peace River): Madam Speaker, I just want to say that we intend to support the amendment as my friends to my left supported us on the same amendment on second reading.

This bill has been some changes and some improvements. I must say that the improvements which I now see in the bill hardly justify the labour, energy, time and effort which have gone into this debate. Be that as it may, it is a little better bill than it was, but because it is not good enough we are going to vote for the proposed amendment.

Mr. Arnold Peters (Timiskaming): Madam Speaker, in speaking in support of the motion for six months' hoist I must agree with the hon. member for Peace River (Mr. Baldwin) that a great deal of effort has been made by members of the opposition in an attempt to improve this bill and to rectify some of its obvious faults, yet little has been accomplished, considering the amount of effort put forward.

This situation is one that develops when we have a majority government. This may be something hon. members in the opposition will have to live with, but it is something that involves a much more important consideration. The suggestions and requests for improvement have been put forward by members of the opposition not for themselves but on behalf of a large segment of the Canadian public.

No tax bill is ever welcomed by the opposition, and it is not likely that a tax bill is welcomed by members of the government. There is a necessity to raise revenue through taxation. I am sure most members will agree that the government has a number of choices as to how it will raise that revenue required for the operations of the country. The government must find that money somewhere, and the choice of where is up to the cabinet.

We have been spoiled during the last eight or ten years in having had a number of minority governments. In such a situation a government is willing on occasion to listen to and consider propositions by the opposition, knowing full well that if it does not there will be an election. The government in the past few years has considered such propositions and, on occasion, accepted changes.

As far as the opposition is concerned, and also I suspect most backbenchers on the Liberal side, the main objection to this measure is in respect of the way the minister has

decided to raise $500 million in order to equalize prices in eastern and western Canada. He has chosen to do this through the imposition of a ten cents per gallon tax on gasoline. I think most members will agree with the principle enunciated by the minister.

I am always impressed by the minister's use of the English language and his facility for assuring us that he is concerned about the difficulties he faces in designing budgetary measures to solve the problems of inflation and unemployment. He has often said his primary concern is for the people of Canada, but that he has really not been able to do much about these problems of inflation and unemployment. I suggest the minister has been consistent in respect of Bill C-66. He has said that the measure is necessary to equalize the price of gasoline across Canada. By this bill I suggest he has not moved in any direction toward equalizing that price. I am sure that the price for grade two gasoline will be $1 a gallon in certain parts of Canada, and in the low 70-cents range in other parts. The minister has not in any way through this bill equalized the price.

What the minister is doing through this bill is raising money that will offset to some extent our loss in export revenues. He is accomplishing this not by a measure of equality but by the imposition of a ten cents tax which is unfair in that it will not apply to everyone.

A number of my colleagues have indicated several more equitable methods that could be used to distribute the burden of accomplishing what the minister wants to accomplish. One hon. member suggested a surcharge on income tax at the higher levels. The hon. member for Nickel Belt (Mr. Rodriguez) was being unfair to the ponies in suggesting that perhaps the minister could collect the necessary revenue from betters at race tracks. A number of suggestions have been made, many of which are more equitable than the one proposed by the minister.

Because of its structure the income tax in this country is one of our most unfair taxes. Under this structure one never pays more than slightly less than 50 per cent. No matter how rich a person is, or how much money he receives per year, he only pays something less than 50 per cent under our income tax structure. This is unfair as well, because the level of income at which the tax reaches 46 per cent or 47 per cent is not very high. In many cases members of parliament with their salaries find themselves in that category. When you reach that relatively middle-class income you find the government has placed a limit on the amount it takes away, so our income tax structure is not fair.

To make the income tax system more equitable we should adopt a graduated scale which would continue beyond the present limit. It would then be possible in this country, as it is in others such as Sweden, to obtain our general revenues from corporate taxes, business taxes, and personal income taxes. Some countries have gone that far, adopting that honest and equitable type of tax, to look after almost all government expenditures, even those at the municipal level.

This country has not been that fair, and this minister certainly maintains the standard set by Liberal governments over the years in relation to our taxation structure. He has done so particularly in respect of this tax measure. The main part of the bill with which most of us are concerned is that portion relating to the ten cents per gallon tax on gasoline. The bill is not fair in respect of exemptions in that it is selective and applies only to certain individuals.

The minister should have given reasonable consideration to the suggestions put forward by the opposition, and I am sure he would have done so if we had a minority government.

An hon. Member: A minority government is not good for the country.

● (1750)

Mr. Peters: Madam Speaker, my colleague on the other side of the House just made the profound statement that a minority government is not good for the country. That is a typical Liberal remark. In other words, if it is not good for the Liberals it is not good for the country.

Some hon. Members: Hear, hear!

Mr. Peters: I am happy to note that most Liberals agree. This means that if we had only one party in Canada and it were the Liberal party, then obviously we would have an ideal situation.

An hon. Member: Right on.

Mr. Peters: This reminds me of Franco and a number of other such people. I have always been of the opinion that even when there has been a democratic socialist government in Canada it was not always right. In fact I found that the longer it stayed in power the less likely it was to be right.

In my opinion it has always been a good idea to have a strong opposition which brings forward alternatives. It is also a good idea to have an occasional change of government so that another party, which may feel the same as some of the Liberals that their ideas are the only right ideas, would be given an opportunity to put their ideas into effect for at least a short period.

Liberals in this case say that because the Minister of Finance (Mr. Turner) is a Liberal he cannot be wrong. We have watched the telegraphing between the floor and the gallery, a new method of operating the Department of Finance by what is called beaming information. I have news for some of the backbench Liberals. The Minister of Finance did not draft these proposals. He has been busy doing many other things, including running world financial organizations and representing his constituents. When they give this vote of confidence to the Minister of Finance they really are giving it to—

Mr. Benjamin: The birds in the roost up there.

Mr. Peters: —the gallery, the mandarins who wondered how they would raise this $500 million. They probably decided it would be a good idea to do it in the form of a gasoline tax. They probably also decided they should not affect big business and that they should place it in context. It really does not matter to a businessman whether or not the tax is imposed, just as it does not matter to people who are engaged in the professions. These people in any event will write off the tax. The people who will not have

an opportunity to write off this tax will be many members of parliament, the workers in this country, and the people in a few other categories, such as our senior citizens and others on fixed incomes.

A contractor, for instance, probably would include as a business expense not merely the ten cents but the total price of the gasoline.

An hon. Member: And of course the dredging companies.

Mr. Peters: Let us not get sidetracked into that field because I think the one in which we are involved is interesting enough. I do not consider that the backbenchers of the Liberal party are unresponsive to their constituents. I see many northern members here today whose people must drive considerable distances to their places of employment. I am sure they would like the workers in their constituencies to be able to apply for this rebate. It is possible for someone who operates a plumbing business, for example, to write off the expenses of his vehicles, his equipment, and gasoline, but it is not possible for a worker to write off his expenses, with the exception of the little deduction he was granted after 20 years of urging by this party. The amount of his deduction would not represent the price of a chain saw or many other pieces of equipment that are necessary. I do not imagine the amount involved would equip a miner to work underground.

It seems to me that we are not asking for very much. We are asking for equality, something which I believe the backbenchers of the Liberal party would support if they were not so concerned about believing that any decision made by the Minister of Finance is right.

May I call it six o'clock, Madam Speaker?

The Acting Speaker (Mrs. Morin): It being six o'clock I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

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

Some hon. Members: Question.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise to say a few words on the amendment which was proposed by the leader of my party which in effect calls for a six months postponement of this iniquitous bill which, as we have said time and time again in the House, is discriminatory with regard to a large group of working class Canadians. We have asked for a postponement of this bill for six months. I see the Minister of Justice (Mr. Lang) waving no. Well, he can wave no all he wants. I intend to take the full length of the time allotted to me on this amendment.

We have said in the debate that the bill which the Minister of Finance (Mr. Turner) has proposed is in large part a method of collecting revenues so that the shortfall in the petroleum account can be met. We have said that this measure is an iniquitous measure, that the method by which the government proposes to collect this $500 million is certainly not fair and not just to far too many Canadians. The exceptions which are made in the bill are such that it makes the bill inequitable. The exceptions do not change the lifestyle of the wealthy but they certainly place constrictions on the lifestyle of other Canadians.

It is all right for the Liberal members to mimick and to jeer, but in effect they must answer to their constituents as well. When they were parading before the Canadian public last July they were not so cocky about this whole matter of raising taxes. Now that they have a majority government they feel they can run roughshod over the opposition and over the Canadian people.

We have said that the bill is a piece of regressive legislation. For the Minister of Finance to rise in the House and put forward such a regressive bill and call it a progressive tax system is ludicrous. I find it difficult to understand how we can make such statements.

The Minister of Finance also said that he wants to change the lifestyle of Canadians and he wants people to conserve energy, he wants them to use less ostentatious cars and be more aware of the need to conserve energy. We have said, and I say it again, that if the government were to establish any credibility with the Canadian public it would have to conduct itself in such a manner that the Canadian public would say, "We will follow that example".

It was interesting to observe during the dinner recess tonight the great limousines lined up at the entrance to pick up the ministers—one minister sitting at the back of a big limousine to be driven to Confederation building, a distance of some 300 yards. If the government were itself aware of the need to conserve energy it would have the right to say to the Canadian people, "We will change your lifestyle". It is easy for them to say to the workers that they should organize car pools. I do not see the ministers organizing car pools. After all, it is not necessary to have 20 limousines to drive 20 ministers to the House every morning. Surely the minister could organize a car pool system. They all have telephones in their limousines.

Surely it is the responsibility of the government to practise what it preaches. It was interesting to hear the comments made by the Minister of Finance when he spoke yesterday evening in response to an amendment put forward by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles). The minister said:

> But, to give a deduction of the expense of getting to work would be to give a tax subsidy to those who choose to drive rather than take public transport . . . to those who choose to live far from their place of work rather than close, and to those who choose to drive a large automobile rather than to those who drive a small one.

It is the height of hypocrisy and cynicism for any minister to say that people choose to live far from their place of work. In my constituency, as I have said many times in the House, people do not choose to live out in Alban, Noelville or Naughton. They live in those places because they can afford to buy a home there; they cannot buy a home in Sudbury where housing is too expensive.

A piece of land in Sudbury 55 feet wide and 125 feet deep costs $15,000. People cannot afford that kind of investment. They certainly do not choose to live in the

places I have named. They live there because of the price of houses, because instead of sewers there is a septic tank system, and because the taxes are not as high as in Sudbury. So it is not a matter of choosing; they are forced to live in such places as Killarney, Markstay Alban, St. Charles, Warren, and all these places with exotic names in my riding. Now the minister comes along with the regressive tax system and says to them, "You will pay ten cents a gallon more and you will receive no rebates". He says that to people who must commute to their work, to people who have no public transit system.

It is not the same as in the city of Ottawa where you have a bus stop in front of your door and where you can go by bus around the capital region on three transfers. It is not that way in Nickel Belt, nor is it in other ridings like mine. This is what we are trying to hammer into the tough skulls of hon. members opposite. We have been trying to tell the government that it should listen to people from these areas who have a reason to be upset about this excise tax.

It is all right for the hon. member for Welland (Mr. Railton) who represents a nice, cosy area of the country. He has no worries. The same cannot be said about the hon. member for Skeena (Mrs. Campagnolo), who mentioned in her speech in the House the problems people have in her area with the differential in the price of gasoline between the northern and the southern parts of her riding. We have those problems also. I notice that Mr. Speaker himself wrote a letter to the editor of the *Globe and Mail* in which he pointed out the differential. On top of that is the differential we have to pay in northern Ontario amounting to almost five cents more on a gallon of gasoline as compared with southern Ontario. On top of that we have this excise tax.

We have said that this is an iniquitous bill because it falls very heavily on too many people in the country who must use their cars to go to work. Many workers in my riding have negotiated a contract over the last two years, and this tax comes right smack in the middle of the contract. They have no way of opening up the contract and renegotiating the added expense. It is certainly not fair. They do not have the same power as do members of parliament. We can increase our salaries by a vote in the House, as we did. As I say, it is all right for the hon. member for Welland to keep mimicking from across the way.

● (2010)

The hon. member does not have to worry about the 10 cent per gallon tax because he can afford it with the wages of a member of parliament. He is a doctor. He can write it off if he is called in the middle of the night. He has a sickly government on his hands, and he is likely to be called at any hour tonight. There are travelling expenses involved in being a member of parliament. He does not have to worry at all. The Minister of Finance took care of members of parliament, and just to ensure that the blow did not fall too heavily, he allowed them to buy wine six and a half cents cheaper per bottle.

Mr. MacKay: They need it.

Mr. Rodriguez: People in my riding do not drink imported wines. We have said that this is an iniquitous bill because the government has imposed a restriction on people who live in certain parts of the country where a car is not a luxury but a necessity. On the other hand, the government has not provided those people with a public transit system to use. There is no public transit system in Nickel Belt. There is a public transit system of sorts in the city of Sudbury, but it does not extend beyond the borders of the city, so the people who live in the areas I have mentioned in my riding must use the automobile. It certainly is not fair.

There are also a large number of people in my riding, and in the ridings of other members of this House who are not within a union. When the union members' contracts come up, they can always negotiate to make up for the ten cent excise tax. It will be a tough fight, but that is another question. But there are a large number of people, mostly women, who work in my riding as waitresses or they sweep up hotel rooms, and they work for the minimum wage. They live in the outlying areas, and therefore a car is a necessity for them to maintain that employment. If it becomes unfeasible for them to continue that employment, they leave it, and they are then ineligible for unemployment insurance because they had no good reason for quitting.

My party has indicated that it will fight this iniquitous bill down to the wire, and we have done that right through this debate. As a matter of fact, as part of our responsibility as members of parliament and as a party, we made proposals to the government. We have proposed alternatives. For example, we proposed that the rebates be applied to those who must use their cars to and from work. We have also suggested that the handicapped be eligible for the rebate when such disabled persons use cars or are driven to their place of employment, for enjoyment or whatever. We also proposed, since we lost those amendments, that the excise tax be reduced from ten cents to one cent per gallon and be applied universally. What does the minister say about allowing workers to claim the rebate, those workers who have to use their cars to go back and forth to work? The minister said, and I quote:

> I do not deny for a minute that there will be cases of hardship. Unfortunately, there is no equitable way to cope with these situations which is administratively feasible.

Are we to believe that this government, which has been in power for a long, long time, is incapable of devising a system whereby it can discriminate and select those of the taxpayers who are using their cars to go to and from work? Are we to say that this country, which was capable of building the tallest freestanding building in Toronto in the guise of the CN tower and which is planning some fantastic buildings for the Olympics in 1976 is incapable of coming up with a bureaucratic system which can separate those who use their cars to go to and from work from those who use their cars for enjoyment? Statistics show that the percentage of those who own cars which are used for frivolous reasons, for enjoyment or for holidays, is very small compared to those who use their cars to travel to work. In this society we have built our community around the automobile.

The minister talks about conservation. Just the other day I was watching television, and a commercial came on for, I think, Texaco. Texaco is encouraging consumers to purchase its gasoline, and if customers accumulate so many coupons from a particular dealer, they receive glassware, cutlery and tea sets. Does that fit in with some kind of conservation policy? I dare say that 99 per cent of the drivers in this country already have decided on a particular brand of gasoline, so it is not to attract those who use Gulf gasoline to start using Texaco gasoline. It is obviously geared to increasing the usage of that particular brand of gasoline. That is what the advertisements are directed toward. It seems to me that that kind of gimmickery is the gimmickery which ought to be taxed, and not consumers who must use fuel to get to work.

It seems to me that if the government has a conservation policy, it should be reflected in the total spectrum of what is going on in this country. How can we have oil companies pushing consumption and, on the other hand, the government talking about conservation of energy? The Minister of Transport (Mr. Marchand)—and this is another case of trying to change the lifestyle of the Canadian people—said that transportation is in a mess. He certainly was not kidding. What is the government trying to do? I have said before—and it seems to me that hon. members have not taken it seriously—that we do not have a nationally-owned railway company. The CN does not have one passenger car on order. Are we trying to develop interurban transportation? Are we trying to get people off airplaines and on to railway cars? Not on your life, Mr. Speaker. What does this government do? It is prepared to spend $100 million at Terminal 2, at Toronto airport, building more parking lots. How does one reconcile what the government says about conservation of energy and changing the lifestyle of the people? Are we trying to improve the railway service in this country? No, we are not.

The government built the STOL airport here for people flying from Ottawa to Montreal. People can be moved by rail just as economically or more so. The railway is a far more economical method of transporting people than flying. As a matter of fact, statistics show that moving people by airplane over a distance of 500 miles is not at all economical. Air Canada reported a loss of $19 million last year on the Toronto-Ottawa-Montreal route, yet we see big ads by Air Canada today which is selling two seats out of three, leaving the one in the middle empty. How can the government talk about changing lifestyles, economy and conservation of energy when it turns around and does such stupid things? How can the government be credible to the Canadian people?

It has been said that television ought to be brought into the House of Commons. I look forward to the day when the Minister of Finance can make hypocritical statements as he did last night when he said that we could not have a bureaucratic structure which could separate those who are using cars to travel to and from work from those who do not. How does the minister propose to do this with regard to doctors who are called out in the middle of the night when he says he cannot do it for carpenters and plumbers because they are on contracts? So are doctors. They are on contract with OHIP. If they go out in the middle of the night, they can put in a bill to OHIP for their services. No one is quarrelling about that, but we want the same privilege to be extended to people in the working class.

We have proposed a reasonable amendment. Every member in this corner of the House agrees that it is. There is not one here who disagrees.

An hon. Member: I do.

Mr. Rodriguez: That hon. member is a Liberal transplanted to these benches.

We have suggested that this bill be hoisted for six months—and I think that is a wise suggestion—so that the government can rethink its position and reconsider the inequities in this particular tax bill. I recall that in the last election the Liberal candidate in Sudbury was promising "We want the railway tracks out of the city. We are going to push hard for it." The Liberal candidate in Nickel Belt was saying, "We want them in Nickel Belt." That says something about the transportation policy of the government. The government has shown how phony the arguments have been. We have made some excellent suggestions about how it could collect taxes. We suggested it would be more fair to take the money out of general revenues, and those who do not own cars could be compensated by an allowance on their income tax. It is supposed to be a great system. Those who have money should pay, and those with the least income should pay less. It seems to me that that kind of progressive income tax structure is better than this excise tax.

● (2020)

The minister has been given some other very good suggestions by this party. I have suggested that people who go to the race track should pay another three cents on every dollar they bet. At the moment the tax is 15 cents on the dollar. We could pull in another $9 million from the Ontario Jockey Club through the thoroughbred flat racing and I have not even included standard breds. There are many tracks in this country and on any given night the amount wagered is from $215,000 to $400,000.

We have suggested that corporations that have deferred their taxes to the tune of $7 billion should pay an interest rate of 10 per cent. That seems fair in view of the fact that they have enjoyed the benefits of deferring payment of their taxes. I cannot defer my tax nor can you, Mr. Speaker, so it seems fair that they should pay interest on that loan.

We have made constructive suggestions to the government but they have fallen on deaf ears. We have repeated them many times hoping to puncture the wax that has accumulated in those ears, but to no avail.

When we were campaigning last summer the Liberals promised an urban transit system. They were going to bring together all passenger services in one commission, develop inter-urban transportation, and move people on trains. The election is over; it was certainly a short day for them. They have forgotten it now that they have a majority. They have derailed the Canadian people and pushed them all on to airplanes. Not too many people in Nickel Belt can afford to fly; they are not on a travel expense account. They have not got government planes to fly them around, like the Prime Minister (Mr. Trudeau) has his

helicopter. How much did the weekend jaunt to the barbecue in Brantford cost? How can the government say to the people, "You economize on fuel"? That is phony. They say, "Don't do as I do, do as I say."

This bill is an iniquitous bill. We have consistently tried to improve it with amendments. We are now getting down to the third reading stage and we have submitted a reasonable amendment suggesting a six months' hoist so that Liberal members can go on their holidays. They can enjoy driving around to see Canada, and they can afford to pay the excise tax on their big salaries of $22,500, plus $10.000 expenses. It would be great if the workers in Nickel Belt could vote themselves an increase, but unfortunately they cannot. I know hon. members are anxious to get away. Let it never be said that I kept them from going on their holidays.

Some hon. Members: Never!

Mr. Rodriguez: I know the Minister of Finance has a station wagon packed; the kids are scrubbed and ready; the camp has been cleaned out for three weeks. I know that is happening. I know there are members across the way who have their plans. One member bought a trailer, had Father Hogan bless it for him, and parked it outside for a week, hoping to get off on his holidays.

An hon. Member: Where is Father Hogan?

Mr. Rodriguez: I am not a vindictive person and I should like to see them get away on their holidays. My holidays are minuscule—

Mr. Anderson: Same as your brain.

Mr. Rodriguez: Many people in my riding cannot go on holidays because this ten cents excise tax places constrictions on them. It does not place constrictions on me or other members of the House; that is what is so iniquitous about it. Those who earn big wages can afford the ten cents excise tax. It does not change our lifestyle, but it constricts the lifestyle of too many small people in Canada. That is why I object so strongly, and if I have to speak three more times tonight I am going to, Mr. Speaker.

I know what I say falls on deaf ears but the least I, as an individual member, can do is make them postpone their holodays for another day. I can go back to my constituents and say that I have done my best on this issue.

Mrs. Holt: You have done nothing.

Mr. Rodriguez: You be quiet. Mr. Speaker, it is rather interesting to note that the hon. member for Vancouver-Kingsway is vociferous when she does not have the floor. I wish that some Liberal members would get up and apologize for this bill. I know they are going to be very upset if they do not get the third reading vote tonight, but it will not upset me. They have all been anxious; their cars are filled up with gas; they have their cheques and are ready to go. As a matter of fact some of them said it was a good thing we were back here today so that they could pick up their cheques. There are many small people in this country—

Some hon. Members: Hear, hear!

An hon. Member: That is the first honest remark you have made tonight.

Mr. Rodriguez: Mr. Speaker, I do not mind the barbs and gibes. I was not elected by anybody in this chamber but by the people of Nickel Belt. That is where my responsibility lies. I only wish a few more members in this House would remember where their responsibility lies.

Any government backbencher who votes for this iniquitous bill is hypocritical about this whole situation and has betrayed his constituents. They will have to go back and face their constituents and tell them why they did not vote against it. I hope they will tell them that the reason for paying the ten cents excise tax is in order to collect the money they need from those who have cars. The bill is not only unfair, it is iniquitous, inequitable, and disastrous.

On the east coast recently the Postmaster General (Mr. Mackasey) called the leadership of one union irresponsible, deceptive, and dishonest. Those epithets can equally be applied to the government. With respect to this bill it is irresponsible, deceptive and, it seems to me, dishonest.

I am sure I have said it before, that last July during the election campaign the government must have known it was in a shortfall position with respect to the petroleum account. But would government supporters have told their constituents during the election campaign, "If you vote for us we shall put an excise tax on gasoline to make good the deficit in the oil account"? I am sure they would not. Not one of them would have said, "Yes, we are going to tax working class people, but we shall give better-off people a rebate". I doubt if any of them would have said that to their constituents. Yet here we were on June 23, less than one year after the election, and the minister introduced a budget which proposed this regressive excise tax. And I suggest that comparing this regressive excise tax with the progressive income tax is dishonest. The excise tax is regressive as it will bear most heavily on certain sections of the community which can least afford it.

• (2030)

I know other members of my party will have strong words to say in support of the amendment. I urge hon. members on all sides to support our amendment. If accepted, it would provide time for hon. members to cogitate and meditate on the effects of this bill. I think six months is long enough. I know Liberals think slowly; perhaps they need one year, but six months will have to do. In the next two months let them talk to their constituents; let them ask their opinions about the tax and see what they think. Perhaps when they come back they will think differently on this matter, but I doubt it. I know how hard headed and stubborn these Liberals are, and how difficult it is to get them to accept progressive ideas.

I urge hon. members to support our amendment, as it is a wise one presented by a wise leader. I submit that our amendment is worthy of support.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I shall be brief. First of all, I congratulate the hon. member for Oshawa-Whitby (Mr. Broadbent) for having introduced that amendment and specially for having spoken only five minutes. In spite of that, I am sure he said all he had to

say. Tonight, I heard, for the sixth time, the hon. member for Nickel Belt (Mr. Rodriguez). Frankly, Mr. Speaker, I feel the House of Commons is being taken somewhat for a racing track. I believe the hon. member for Nickel Belt was not born in a democratic country. Today, he lives in a democratic land. He acts somewhat like a child who has been deprived of toys all his life. As soon as he gets some of his choice, he goes overboard. I am afraid that is what happened to him. But there is a limit. We are living in a democracy. That must be understood. The hon. member for Nickel Belt must understand that. He is not sitting with a socialist government, and if he were he would not speak the way he did tonight, I assure him, he would not then speak as he has done since the beginning of the sitting.

He must bear in mind that there are 264 other hon. members, and that he is taking up all the time of the House.

Mr. Speaker, we will go on endlessly discussing this bill. This evening, I heard the same speech repeated a sixth time. It is simply ridiculous! We must come to a decision. The hon. member for Nickel Belt (Mr. Rodriguez) moved an amendment. We are going to vote on that. Democracy, our democratic system requires it. Even the hon. member for Nickel Belt would go on shouting against government members for three more hours. They will vote but they will not change their thinking in any way. They will come and vote. Let us wait for the vote. We will vote, after all. I wonder why we are maintaining this kind of filibuster to try and catch the people's attention. Let us rely on democracy, we are in a free country. Fortunately this is a free country, but let us not fall from freedom into anarchy. I for one favour the amendment moved by the hon. member for Nickel Belt, because I feel the 10 cents per gallon tax is unfair, anti-social, the most anti-social in this session. It is unfair because it affects a group of workers that are the worst off economically, because those that are burdened have no alternative to get to and from work. They have no choice. The main argument submitted by the minister to impose this tax is conservation.

But with the proposed exemptions at both levels of government, there will be outmost extravagances and gasoline expenditures. And the minister says this legislation is to conserve energy or favour public transit! Of course it is known that our public transit systems are now inadequate. They are nonexistent in some areas. And while certain people are fighting for public transit, the government is fighting them.

I gave an example the other day. In my area of Roberval, we have been fighting for all we could for five or six years to keep our public transit system, but the Minister of Transport (Mr. Marchand) is trying every means to kill it. The Minister of Finance (Mr. Turner) comes along and says: This is an effort to encourage the working people to use public transportation. How can anyone be so ridiculous, Mr. Speaker?

With regard to saving on gas consumption, when one sees the CN entering into a contract with a trucking firm to deliver merchandise in our region, merchandise that was previously delivered by the CN without burning a single gallon of gas, which means using up thousands of gallons of gas, and then one hears the Minister of Finance stating that we must save on gas, something has to be

[Mr. Gauthier (Roberval).]

wrong. Well, Mr. Speaker, the population is not as stupid as that.

What I fail to comprehend is the unanimous attitude of government members. Unanimity! Not one dares speak against the government. Or rather I can explain it by the party's dictature in caucus, a fact that I have always denounced in this House. Such are the results of a majority government. Today, the Liberal government is imposing this unpopular tax because it knows that the next elections are far away. And I am willing to bet that on the eve of the next elections, this same government will remove this tax to please the voters of this country. All Liberal partisans will forget the date of June 24, 1975, not because it is the French Canadians' day, but because it was the day a ten-cent tax on a gallon of gas was forced on those unable to pay it.

Mr. Speaker, I hope this marathon of debates will end and I urge all opposition parties to vote. That is the game of democracy and I hope that tonight we shall keep that democracy alive in giving members of Parliament this freedom. They are entitled to their way of thinking, but I believe that in the end the people will be the ones to judge their representatives.

● (2040)

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to say a few words on the amendment on third reading to explain why we feel this bill should sit for another six months to give the government time to bring in another piece of legislation which would raise the amount of money we agree is required, and do so in a much better way.

I am not one of those who think the continuance of this debate is an exercise in game playing or anything else. If I did not feel strongly that this is the wrong way to raise the amount of money the government requires I would not be on my feet tonight. This would be the case whatever party happened to be in power.

An hon. Member: That is hard to believe.

Mr. Benjamin: Our first criticism of this legislation, and it always has been since the day it was introduced, is that it requires the collection of money from those who have the least ability to pay it, while leaving those who have most ability to pay free from contributing their share toward the amount required to equalize petroleum prices across Canada.

In the second place the legislation abounds with unjust provisions, provisions which taken together exclude any credibility which might otherwise attach to this proposal for imposing a sales tax on gasoline. There are those who say parliament is sitting for nothing, wasting time, and wasting the taxpayers' money. Some of them sit in this chamber. Some are in the press gallery. Others write ivory tower columns in newspapers. But there are many in this House who have criticized the legislation before us on the ground that the government has chosen the wrong way to raise the revenue required for a legitimate national purpose.

We have suggested ever since the bill came in that when a given amount of money is required to accomplish a national goal the government has a duty to put forward legislation which is fair to the greatest possible number of people from the Atlantic to the Pacific. We contend that the legislation before us not only fails to do this but actually moves in the opposite direction. I shall not go into all the details, no doubt to the relief of hon. members across the way. They know those arguments. I will simply ask them this: if they were sitting as members of a municipal council, or of a school board, or of a provincial legislature, would they countenance the imposition of a tax for a specific purpose which bore most heavily on those least able to pay it?

I listened with a good deal of incredulity this afternoon to the discussion on who might be excused from the payment of this ten cents per gallon tax. In itself, ten cents on a gallon of gasoline or on whatever amount of gas a person may use in a year is not an extraordinarily large sum. But in terms of the kind of parliament this parliament is likely to be, it is important. We have only been here one year and there are three more to go. So the issue is important in terms of whether or not parliament is in fact the body governing our country.

I am shocked to think that members of parliament sitting in this chamber would turn their backs on a proposal to relieve handicapped people from the obligation of paying this tax. It was bad enough that the Liberals should have stood up against that proposal. The worst tragedy was when the Official Opposition not only withdrew their amendment, which was a darned good one, but abstained from voting on a subsequent amendment to exempt handicapped people totally from paying tax on any gas they might use whether for pleasure, attending clinics, or going to and from work. These great friends of the workers and the common people in the Official Opposition failed to vote. I wish the Leader of the Opposition (Mr. Stanfield) had been here; I do not think he would have liked it.

There are errors of omission on the part of all members of opposition parties. There is only the odd occasion in the course of the life of a majority government when an issue arises on a matter of principle on which we can all fight to the line. I want to say there are even some people here in my own caucus who are not here and who should be here. While I admit to, and confess, the failings in my own ranks, I want to say to the members supporting the government who have this traditional Liberal state of mind and attitude, that they are the only ones selected to govern, they are the only ones who know, they are the only ones "who have all the answers"—if once in a while they sit in opposition it is only a temporary aberration and loss of sense on the part of the voters!

But in a traditional British parliamentary system I would expect that even members on the government side in the British House of Commons would have risen and voted against some of the measures in this bill. But not a sound out of one of them, unless they are nattering while signing letters or standing behind the curtains or sneaking in from behind the curtains like sheep to vote.

● (2050)

We have presented at least 12 other ways to raise $350 million in 1975 and to raise the $500 million to $525 million required in the 12 months of 1976. All of these ways would have ensured a great deal more equity, fairness and justice than the provisions of this bill. Some of them would have been proposed at Liberal party conventions or even by a minority Liberal government. But when in the majority, they know everything. There is not a thing they can do wrong. They are the only ones fit to govern. I hear the hon. lady across the way lightly pounding her desk. I am glad she only pounded her desk lightly; I know her heart was not in it. If she will pound it harder, I will have some other words to say.

To collect the $525 million for the oil consumption fund in a manner which would bring about a genuine equalized price from coast to coast, and to collect it in a way that would be fair and just, the Minister of Finance (Mr. Turner) could have done any one of the following. I have not seen any editorials or news stories carrying these proposals, but personally I do not worry about that. That is a reflection on the members of the press gallery who are not much different from members of the House of Commons. They, too, are worried about getting off to the lake, or going fishing, or getting together with the wife and kids this summer. It would be very nice, however, if the media were not captives of the kind of system under which we operate. It would be very nice if on their own hook, without waiting for or relying upon members of parliament, they had suggested to the government in their editorials, columns or news stories more equitable and just ways in which this money could have been raised.

What I say does not apply just to this bill. Budget bills are nothing more than the result of a budget, and this budget was one with which the minister should not have bothered. Let me illustrate. We could raise the $525 million which is required in the calendar year 1976 and the $350 million that is required in part of 1975 in a manner that is just, one based on ability to pay, if we had said to individual taxpayers that each of them with a taxable income in excess of a certain amount would pay a 3 per cent higher rate of effective tax, or that the corporations would pay a 10 per cent higher effective tax rate. Or we could have had a combination of both and levied an additional 5 per cent corporate tax rate and a 1½ or 2 per cent higher individual tax rate. Then, the burden of raising this money would have been spread among those with the ability to pay.

Instead of that, the government chose to levy a ten cents a gallon excise tax. In levying this tax, the minister provides in the bill that if those in the higher income brackets are in business or in the professions, they must keep records as a basis for claiming this expenditure as an expense item to be deducted from their income tax. If they are in a 25 per cent or 30 per cent tax bracket, then they will have the benefit of paying less taxes as the result of having deducted their total purchases of gasoline or any other legitimate business expense.

In addition to that, a professional person engaged in commercial enterprise, as the legislation so describes, may apply for a rebate. The minister has told the House that a doctor, lawyer, architect, chartered accountant and so

forth cannot apply for a rebate on gasoline used in driving to and from work. I submit they have already had a rebate given to them through their income tax returns. But added to that, they will still apply for a rebate of the gasoline tax, as the bill provides.

Let me deal now with those I referred to earlier, the people who can least afford to pay the tax. I realize that not very much money is involved during the course of a year—the sort of amount that one would spend, say, in the parliamentary restaurant or in some fancy restaurant in downtown Ottawa on a given evening. But it is the people on fixed incomes and the pensioners who, as usual under free enterprise government tax systems, will pay a disproportionate share of the tax burden. An old age pensioner who might use his car three times a week will contribute anywhere from $1 to $3 a month by way of excise tax. This will amount to as much as, or a little more than, the last cost of living escalation of the old age pension, which I think was $2.33 a month.

Every member of the House has in his constituency old age pensioners who drive automobile for what the Minister of Finance and hon. members opposite call pleasure. Let me examine this so-called pleasure. These old age pensioners make one trip a week to buy groceries. They have no other way of transporting themselves than by the automobile, but the Minister of Finance calls that pleasure. They make two or three trips a month to the doctor's office, and according to the Minister of Finance that, too, is pleasure driving. They make two or three trips a year to visit their children or grandchildren; again according to the Minister of Finance that is pleasure. There are no rebates for such expenditure. We pleaded with the government to exempt those people who are drawing old age pensions and the guaranteed income supplement. More particularly, we asked the government to exempt those who are drawing old age pensions and are liable for some income tax on income they receive over and above the old age pensions.

● (2100)

Can it be classed as driving for pleasure when these people drive their automobiles 8,000 or 10,000 miles a year to pick up their groceries, go to the doctor's office, or to visit their children and grandchildren? This does not involve a large amount of money in each of these individual cases and it is not a large amount in the total financial picture of this country. Surely this legislation is an indication that we are travelling down the same road we have been travelling all along.

There is another way the government could have raised this revenue. The hon. member for Nickel Belt (Mr. Rodriguez), the hon. member for Sault Ste. Marie (Mr. Symes), and the hon. member for Timiskaming (Mr. Peters) have mentioned this method. I will not refer again to the race tracks and horses, but will refer only to deferred taxes. There are deferred taxes lying on the books of this country amounting to $7 billion. Would it not be reasonable to charge a small interest rate on these deferred taxes, perhaps 7.5 per cent? This would be a much lower rate than the rest of us are paying on money that we owe. This would raise the $525 million the Minister of Finance must have next year.

[Mr. Benjamin.]

If we were to put out $7 billion in mortgages for people who want to buy homes there would be a cry of protest and outrage from the financial institutions, the realtors, and the developers. If we were to put out $7 billion in interest free loans for the construction of homes there would be a great cry of outrage, yet we carry on the books of this nation $7 billion in deferred taxes.

This party has moved that this bill not be read now a third time but that it be read six months hence for a very good reason, and we will move the same motion in respect of any other budget bills the government might want to bring in this fall. If hon. members are worrying now about a summer recess they should start worrying as well about a Christmas and New Year's recess.

This bill imposes a penalty on those people who earn wages and salaries whether or not they belong to unions. If they live five miles or more from their places of work and drive that distance, in the course of 12 months they will have paid back every dollar of tax credit they may have gained from the $150 allowed for the cost of tools and other expenses. If those people saved $30 in income tax, this measure will take more than that amount back.

In addition, this ten cents a gallon tax will take back from the working people who drive several miles to and from their places of employment all the benefit of the tax credit each taxpayer is receiving as a result of the first $50 credit, then the $100 credit, and then the $150 credit. Incidentally, this is now back to $100. This measure will take back from those workers every dollar gained from that tax credit.

One of my friends opposite sent me a chart which is being circulated among the Liberal caucus. The way it reads, if you drive 7,000 miles a year averaging 15 miles per gallon, this amounts to only 469 gallons which, at 10 cents a gallon, amounts to $46.90. This is the chart those Liberal members are passing around, I presume to salve their own consciences. This is a nice little chart and very convenient, but they have forgotten a few things in this chart they are passing around while patting each other on the back.

If you drive 7,000 miles a year to and from work, the ten cents a gallon tax on the gasoline amounts to $46.90. This proves one of the points I have just made. It takes away every nickel these people gain on their income tax as a result of the $150 deduction for expenses. In fact it takes away more than they gain.

The Liberal members have forgotten a couple of other things when circulating these cooked-up figures. They have forgotten also that on August 15, or very shortly thereafter, there will be another five cents a gallon increase in the cost of gasoline because of the increase in oil prices. Those members have also forgotten that when the companies pass on the ten cents and five cents increases, the distributors, bulk dealers, and retailers will all take their percentage of mark-up so that the total final increase in gasoline prices will be somewhere between 18 cents and 22 cents a gallon. This will mean in turn that people will lose everything they gained as a result of the $100 tax credit. It will have been taken away from them by this one silly and dumb bill.

The Minister of Finance could have raised this revenue, which we all agree the government must have in order to treat people relatively equal across the country, in a manner which would have been more equitable and just. The minister has failed to do so.

The hon. member for Peace River (Mr. Baldwin) paid a mild compliment to the government today for accepting a couple of minor changes to the bill. The government has failed to accept the suggestion that it withdraw the bill entirely. It has failed to agree to some of our suggestions on a better way to raise this required revenue. It was my hope that some of these suggestions would have come from the hon. member for Skeena (Mrs. Campagnolo), the hon. member for Vancouver-Kingsway (Mrs. Holt), the hon. member for York South (Mrs. Appolloni), or from Liberal members of parliament who represent ridings in highly industrialized areas with a large working force, which is that segment of the population that will pay the largest proportion of this tax. These suggestions did not come from those hon. members. In any event, the government refused to accept the proposed amendments.

Let me say to hon. members opposite that they are not always 100 per cent right. Their party is not the only party fit to govern, and those hon. members are not always infallible in the legislation they bring forward. The government weakens the democratic process of our parliamentary system when it flies in the face of the general public with something like this that is so obviously unfair and unjust.

I suggest the motion before us is one that warrants a vote. It puts forward what we have been trying to say about this particular bill, and what I suspect we will be saying about subsequent bills arising from the last budget in the months ahead. If this debate has done nothing else I hope it has taught hon. members opposite a lesson. I hope they will remember the lesson when they are in caucus and in committee, and when they are giggling together in the backbenches and behind the curtains. I hope they have learned something from this exercise. I hope this lesson will be reflected in the next piece of legislation that comes before this House arising from the latest budget. More important, I hope the minister has received the message.

The message we have tried to put forward is that you do not place the largest part of the tax burden on those who are least able to pay, while at the same time letting those who can pay off the hook. How any self-respecting member of parliament can hold still for that kind of nonsense is just beyond me.

This is a bad bill and this is the wrong way of raising this revenue. I only wish this bill had come before us some 18 months ago. We would then have gone through the usual process of having Liberals come over here behind the curtains clutching Conservatives, New Democrats, and Créditistes by the elbow and asking them what they would like to have in this bill or what it would take to get it through quickly. On such occasions butter would not melt in their mouths. Then they are the greatest democrats one could find.

● (2110)

Now the arrogance rises to the surface again. It would seem that they are the only ones fit to govern. The arrogance is apparent in their expressions, in their smiles, and in their jeers. They meet us in the elevator at the fifth floor by the cafeteria and ask us to shut off the debate because they have an engagement or want to go to the lake. Their arrogance shows up in the way they talk, smile, and jeer. They do not move amendments or speak the way they want to speak. They are the government. If they really want to do something about parliamentary practice, here is the opportunity. They might not have another opportunity for a year or two. This is an opportunity for ordinary members of parliament—they are all nice, bright fellows—to say that the method being followed through this bill is the wrong method. No one is perfect. That might be news to my hon. friends opposite.

Members opposite should say that this bill is wrong, and give it a six months' hoist. If the Prime Minister (Mr. Trudeau), the government House leader, and the Minister of Finance would hoist this bill and then come back in two or three weeks with a new piece of legislation to raise the revenue required in a fair and equitable manner, they would be surprised at how fast that legislation would go through. They would realize there is more involved in parliament than just having a majority. They should think more about the people who sent them here. They should think about the people who must drive to the hospitals and to physiotherapy treatment centres. These are the people who must drive cars and yet they are being excluded from the rebate. Do any of you have the courage to speak for the people who elected you? That applies to all of us in every part of this House.

The Acting Speaker (Mrs. Morin): Order, please. I must remind the hon. member that he should address the Chair rather than the members on the right hand side.

Mr. Benjamin: Madam Speaker, I was speaking of everyone in this House, and when I was asking the members of this House to speak up for those who sent them here, I was including you, Madam Speaker, in those remarks. I want to conclude by saying to my hon. friends—and I mean friends—

Some hon. Members: Oh, oh!

An hon. Member: You should use another term.

Mr. Benjamin: My hon. friends might feel I have overstated the case or have become carried away. If they do, I apologize, but I do not apologize for the sincerity of my argument. In fact I am proud of the fact that we are still sitting here tonight in a whatever one might call it—a futile or last ditch effort. I meant every single word I said. Hon. members on all sides of the House have an opportunity to ask the government to take back this bill and present another one designed to raise the same amount of money in a more equitable and just manner, and not to fly in the face of principles which I know my hon. friends across the way hold dear.

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I wish to take only a few minutes of the House's time this evening to refer again to the amendment I presented this afternoon in an opportunity to obtain a rebate for the handicapped people. The hon. member for Regina-Lake Centre (Mr. Benjamin) expressed puzzlement that we did

not vote for his belated amendment. On behalf of my party I chose instead to trade off an amendment that the government could easily have defeated for a commitment from the Minister of Finance (Mr. Turner) to achieve the same aim by regulation. It would seem to me that this was much better than an effort to score debating points.

It seemed to me I should accept the firm commitment of one of the most honourable of the Queen's Privy Councillors, the Minister of Finance, to bring forth similar regulations. Our party could have won the debate, but the handicapped would not have been given the right to a rebate from this inequitable tax. An elderly constituent once told me that a member of parliament could accomplish a lot if he did not worry too much about who received the credit. I recommend my constituent's advice to the hon. member for Regina-Lake Centre.

Some hon. Members: Hear, hear!

Mr. Leonard C. Jones (Moncton): Madam Speaker, it seems to me that Bill C-66 has been like a bingo game with the famous No. 66. There has been a great deal of discussion and debate in an attempt to have the government realize the wisdom of withdrawing the bill, to have the government approve amendments, or even to have the government itself bring in amendments. It is regretted that the government has adopted such an arbitrary and harsh method to extract funds from the people of our country.

I must agree with most of the remarks made by members of the opposition parties in the House. However, they have fallen on deaf ears. It would be appropriate now to direct pressure to another part of the anatomy. There are other alternative methods to raise revenue, but the Liberal government evidently is not prepared to show leadership in relieving the country of the burden caused by the crisis which faces us. The day Bill C-66 is proclaimed will be a sad day for this country and for many of its citizens. Nevertheless the bill and the amendments have been debated relentlessly.

The bill should never have been presented. It should have been withdrawn. It is imperfect. I am not too sure that it is not contrary to the provisions of Magna Carta in that it gives authority to the governor in council to tax without representation. That is what taxation by decree or order in council is. At this time, however, it appears to me that it is time to give everyone in the House an opportunity see where they stand on the amendment, on the bill and on the motions before the House. I have the impression that this session has lasted about ten months and most members of parliament in the House are on edge. Therefore, I propose the following motion, seconded by the hon. member for Rimouski (Mr. Allard):

● (2120)

That the House sit beyond the ordinary hour of adjournment this evening for the following purpose: To complete the debate and to complete all action on amendments and all proceedings and stages of Bill C-66, and act to amend the Excise Tax Act.

The Acting Speaker (Mrs. Morin): Order, please. At present we are debating the motion moved by the hon. member for Oshawa-Whitby (Mr. Broadbent) and it is not possible to accept the motion in the form introduced by the hon. member for Moncton (Mr. Jones).

Some hon. Members: Question.

Mr. Jones: Madam Speaker, this motion is moved under Standing Order 6(5)(a). As I read the rule, such a motion can be moved any time and it is not subject to debate or amendment. I think it must be put to the House now.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I merely wish to give a few particulars on—

The Acting Speaker (Mrs. Morin): Order. Does the hon. member wish to speak on the motion? The motion of the hon. member for Moncton (Mr. Jones) cannot be dealt with in its present form, because the House is discussing an amendment moved by the hon. member for Oshawa-Whitby (Mr. Broadbent). If the hon. member wishes to carry on the debate on the amendment of the hon. member for Oshawa-Whitby, he may do so.

Mr. Lambert (Bellechasse): Madam Speaker, I merely wish to make a few comments on Bill C-66 as well as on the amendment under discussion.

I realize that all my colleagues are somewhat nervous. On one hand, we would like the House to proceed in a regular fashion to the passage of a legislation but on the other hand, we feel that all parliamentarians are somewhat tired. It is normal that after ten months of session, each of us would like to return in his constituency to spend a few days with the family, which is good for every Canadian. Parliamentarians are also Canadian citizens, and of course, they want to be able to live for a few days, a few weeks.

Madam Speaker, I hear members on the government side say that I am saying nice things. The Minister of National Health and Welfare (Mr. Lalonde) is giving me the signal to cut it short. There is good sense in that. But the fact remains that we are not here to have fun. We are here to govern.

If we recognize that the Liberal party is responsible for introducing laws to Parliament, I recognize that Parliament is responsible for passing the bills that are put to it. We are not here to oppose the government systematically. Come on! We are here to represent part of the population, and it has been proved that the opposition represents 57 per cent of the population; that part of the population feels saturated with taxes; the time has come to find new formulas, and I believe hon. members, as a group, feel somewhat responsible for finding them.

I see the hon. member for Compton (Mr. Tessier) go through the same motion as our grandmothers when they unwinded a skein of wool. I do not understand what he means by that, but it does not matter: I am not here for that. Over the past few days, I have had the opportunity to meet and talk with my constituents, school boards and other organizations. I have conducted this study in a serious and responsible manner and I have come to the conclusion that most people are against Bill C-66, especially in connection with the famous 10-cent tax on gas.

I want to fulfil my duties as the elected representative of a group of people who are willing to assume their responsibilities, accept their tax burden for the administration of our country, but not blindfolded. They want explanations. Why does the government insist on imposing a 10-cent tax on every gallon of gas which will be used in Canada? They want to know from the government what regulations will be edicted following the adoption of this bill? They want to know whether it is the members of Parliament or bureaucrats and technocrats who are in charge of this country and who will later on edict regulations and determine what classes of people will be considered as businessmen, and if such and such person will be deemed to be in business.

● (2130)

And I think it is important for the population to know that the members of parliament, their representatives, knew what they were doing when they voted that bill, and that is why I insist again tonight, Madam Speaker that the procedure be modified, that we get out of that system whereby members of Parliament adopt a legislation and bureaucrats and technocrats decide to interpret members' will.

I am tired of that, I am disgusted of that, and I want to say it tonight, at the third reading stage of that important Bill C-66, so that it will be known once and for all. I must commend the President of the Privy Council (M. Sharp), whom I see at his seat tonight, despite the length of the session, for still being here tonight to listen to members' representations. Let's adopt once and for all in the committee on procedure and organization a different method so that regulations that will be voted be enacted after that bill has been adopted. Because the government has a majority, they are sure the bill will be adopted. Come on! But we will not be mistaken for a bunch of dummies. We know that government members are a majority. Maybe several of them will tell their constituents tomorrow: "We did not agree with the tax on gasoline, but as things stood, there was a case of absolute necessity and we had to say yes. We were asked to stick together". Well, we already know that this legislation will be passed by the government majority, but I strongly doubt that the people in my constituency will congratulate the Liberal party. I guess on the contrary they will ask the Liberals to help them, to give them directions as to how they can get a refund on the tax.

It is extraordinary to hear the remarks of ordinary people. They wonder: Will I manage to get a refund? If they accept to pay that tax, they keep hoping they will get a refund, but what about the small taxpayer, the factory worker, the one who drives from Berthier or Montmagny to the shipyard in Lauzon, who has to drive some 35 or 40 miles, what about the worker from Montmagny who goes to work on American sites, in the state of Maine, as a hewer of wood, who has to pay for the gasoline he needs to get there? Will he be glad that this legislation was passed, whereas in fact the government could find different means if they sincerely wanted to alleviate the burden of taxes on the shoulders of Canadians taxpayers? Let us concentrate on large corporations and let us investigate all their fraudulent schemes to cheat our income tax legislation. They just have to find all sorts of ways not to pay the taxes they owe the federal government.

Madam Speaker, I hear colleagues in this House who seem to disagree but who deep inside know that I am telling the truth. They know I have the courage to say in this House what is actually happening and there is an injustice done to individuals, small businesses, workers, all those who labour day after day to earn a living and serve the people. Madam Speaker, that has lasted long enough. We should demand from large corporations the same discipline, the same claims, the same procedures so they will file honest reports with the Department of Revenue and if they owe $1 million they will pay $1 million, if they owe $2 million they will pay $2 million, just like we demand of the taxpayer who owes $600 that he pay $600.

Well, Madam Speaker, I see my colleagues opposite find that funny. We are not here to administer like a gang of jokers, you know that. We are here to administer in a conscientious, objective, and honest way. Madam Speaker, we often suggested alternatives, means different from those used now. They were not to be accepted. I respect that will. I respect that decision. But at least, Madam Speaker, let the Minister of Finance and all his colleagues as well as all Liberal members of the Parliament of this country come up with other formulas. That is what the people want.

And if we do not introduce other formulas our economic system that we know, that we like, that we have always stood for, that I will continue to stand for as the member for Bellechasse, we will be making a mistake. Indeed, I feel strongly about private enterprise but I would like private enterprise to be able to survive, to give its full capacity, not to be crushed by burdens, taxes of all kinds, reports, bureaucracy and so on. I like private enterprises which represents a tremendous force in this country, and it was the Minister of Industry, Trade and Commerce (Mr. Gillespie) who said in this House about six months ago in an official statement, that private enterprise provides 60 per cent of jobs in the country. I hear, Madam Speaker, but I shall not get angry, I am a peaceful man—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Bellechasse has the floor. He might be allowed to conclude his remarks.

Mr. Lambert (Bellechasse): That is parliamentary life at its best. I thank you, Madam Speaker, for your intervention because when all is said and done, it will appear to the Canadian people as a responsible intervention in a responsible Parliament. What does it matter, Madam Speaker, whether or not the majority likes what the member for Bellechasse (Mr. Lambert) says. This member is entitled to express his views and to defend his constituents' interests on any given legislation. I think that I have never abused the privileges of the House. I have always tried to use the time allocated to me in the most constructive way in order to express views, defend opinions I consider to be meaningful. Then, in such a serious situation, I believe that tonight we must think it over and consider the validity of the proposed amendment, so that we might postpone this legislation to a later date, in order to think it out, make a further search for the means to give the Minister of Finance (Mr. Turner) the required funds

for him to assure every department of the amount required for good management. But I believe that the means proposed to us in Bill C-66 is not a very popular one, nor a fair way to individuals; that is why, between the recess and the next session, we should meet and examine together what opportunities we have to try and assure the Minister of Finance of the required funds he needs within fiscal year 1975-76, without resorting to such a drastic measure which deeply affects the income of individuals and, particularly, workers, the income which is necessary for them to meet the needs of their family.

● (2140)

[*English*]

Mr. Sharp: On a point of order, Madam Speaker, I have consulted with the House leaders and I think there is a disposition on the part of all members to continue this evening until we dispose of Bill C-66. I know the hon. member for Moncton (Mr. Jones) made a motion earlier under Standing Order 6(5)(a) but I understand he is willing to withdraw that, if that is in order. In any event, I believe there is agreement in the House that we continue sitting until Bill C-66 is disposed of, but not the adjournment motion.

Mr. Baldwin: Madam Speaker, this is quite acceptable to us under the circumstances. While I judge there are many empty vessels in this House right now, some of them might be persuaded to keep making sounds until third reading has been completed.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, the statement by the government House Leader represents the agreement we have reached.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Madam Speaker, I believe that we have come to an agreement and that we all are ready to dispose of this bill tonight, even if we are not fully satisfied with it.

[*English*]

The Acting Speaker (Mrs. Morin): Is it so agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on the amendment to the main motion. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

[Mr. Lambert (Bellechasse).]

The house divided on the amendment (Mr. Broadbent), which was negatived on the following division:

● (2150)

(Division No. 65)

YEAS

Messrs.

Alkenbrack	Elzinga	Malone
Allard	Epp	Matte
Andre (Calgary Centre)	Gauthier (Roberval)	McCain
Baker (Grenville-Carleton)	Gillies	McGrath
Baldwin	Halliday	McKenzie
Balfour	Hargrave	McKinley
Beatty	Huntington	McKinnon
Beaudoin	Johnston	Muir
Benjamin	Jones	Munro (Esquimalt-Saanich)
Broadbent	Kempling	Nowlan
Caouette (Villeneuve)	Knowles (Winnipeg North Centre)	O'Sullivan
Clark (Rocky Mountain)	Knowles (Norfolk-Haldimand)	Paproski
Clarke (Vancouver Quadra)	Lambert (Bellechasse)	Peters
Coates	Lambert (Edmonton West)	Rodriguez
Crouse	Laprise	Saltsman
Darling	Lawrence	Scott
Dionne (Kamouraska)	MacKay	Stevens
		Symes
		Towers
		Whiteway
		Wise
		Yewchuk—56.

NAYS

Messrs.

Allmand	Goyer	Milne
Anderson	Guay (St. Boniface)	Morin (Mrs.)
Appolloni (Mrs.)	Guilbault	Munro (Hamilton East)
Baker (Gander-Twillingate)	Haidasz	Nicholson (Miss)
Basford	Herbert	Parent
Béchard	Holt (Mrs.)	Pearsall
Bégin (Miss)	Hopkins	Pelletier (Hochelaga)
Blais	Isabelle	Penner
Blouin	Jamieson	Philbrook
Breau	Kaplan	Portelance
Buchanan	Lajoie	Poulin
Campagnolo (Mrs.)	Lalonde	Prud'homme
Campbell (Miss) (South Western Nova)	Landers	Railton
Clermont	Lang	Reid
Comtois	Lapointe	Robinson
Condon	Leblanc (Laurier)	Rompkey
Corriveau	LeBlanc (Westmorland-Kent)	Roy (Timmins)
Côté	Lefebvre	Roy (Laval)
Cullen	Loiselle (Saint-Henri)	Sharp
Danson	MacDonald (Cardigan)	Smith (Saint-Jean)
Demers	MacEachen	Stanbury
Douglas (Bruce-Grey)	MacFarlane	Stewart (Cochrane)
Duclos	MacGuigan	Stollery
Dupras	Mackasey	Tessier
Duquet	Maine	Turner (London East)
Ethier	Marceau	Watson
Fleming	Marchand (Langelier)	Whelan
Flynn	Marchand (Kamloops-Cariboo)	Yanakis
Foster	McRae	Young—91.
Fox		
Gauthier (Ottawa-Vanier)		
Gendron		
Gillespie		

● (2220)

Mr. Speaker: I therefore declare the amendment lost. The question is on the motion that Bill C-66 be now read a

third time and do pass. All those in favour will please say yea.

Some hon. Members: Yea.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am happy to speak at the third reading stage to express the opinion of my party as concerns this bill. I want to say that we are not more in favour of the bill at this time than we were at the second reading stage. In spite of the efforts made by the opposition to change the opinion of the government or the Minister of Finance (Mr. Turner) and in spite of some amendments, I wonder how this bill can be applied.

We can read the following on page 2 of the bill:

Where gasoline has been purchased by

(b) a person for commercial or business purposes,

Who will determine if the gasoline was purchased for commercial or business purposes?

Paragraph (c) says:

(c) a farmer for farming purposes,

Who will determine if the gasoline was purchased by a farmer or by someone who works in a city and farms part-time? Once again, as I said this afternoon, a public servant will determine what will happen. What will be the percentage of gasoline purchased by a farmer, by a labourer, by a manual worker or by another type of worker?

Paragraph (d) on the same page reads as follows:

(d) a fisherman, hunter or trapper for commercial fishing, hunting or trapping,

Once again, Madam Speaker, it is impossible to determine how much gasoline such a person will have purchased during a fiscal year in his capacity as fisherman, trapper and so on.

I would like to say that our party, the Social Credit Party of Canada, is still against this bill because it is the gift of the Liberal party to the poor workers who do not have one cent left to travel and to go to work. They do not have these 10 cents a gallon that they will have to pay on gasoline to travel every morning and every night. Therefore, the bill penalizes heavily the heads of families who cannot afford to pay for rent increases, increases of this and increases of that. Cost of living increases have emptied their pockets. They must leave home in the morning to go to work. The gift of the Liberal party to the Canadian voters is a great deception, Madam Speaker, and I believe that it is an indictment against the Liberal party.

Madam Speaker, in constituencies like mine, people earn their living underground, working in mines, breathing dust 24 hours a day and on any of the three 8-hour shifts, and they never go to bed at the same hour from one week to the next. It is thus appalling to see the government charging 10 cents a gallon of gasoline to miners who drive to work and who have the guts to work in these circumstances.

I think this is a nonsense, an impropriety, and I believe this legislation is not even workable from a legal standpoint or even from an honest standpoint, because it allows too much latitude to the official who has to determine how much gas goes for pleasure driving and how much for driving to work.

The foreman, for instance, who might be my boss tomorrow on the site where I would have to work since I might become a worker—and I speak for the workers in my constituency—will be entitled to a 10 cents a gallon tax rebate because he is a foreman and is thus driving for business purposes.

Me, the poor guy who earns $6,000, $7,000 a year, I shall pay, like him who makes around $25,000 or $30,000, 10 cents a gallon for gasoline. I think it is dishonest and unfair. This is all I wish to say. I do not wish to extend the debate, but I wish to say this: We do not agree anymore today than we did yesterday. What the minister did shyly under the pressure of the opposition does not satisfy us at all and I think that this bill on which we are going to vote on third reading is disastrous for the financial situation of the poor worker, the wallet of the small earner, of the head of a family, the man who does not have one more penny to spend to drive to work but who has the guts to do it.

The day will come, Madam Speaker, when those people who are too big-hearted will stop thinking as they do now and say: "Rather than working for nothing we are going to live on welfare". I hope that this day is still far away but the more bills of this kind we pass the sooner this day will come. Madam Speaker, in all fairness, I must say that this bill is impossible to apply and will be very unfair to some people. We shall have to establish the quantity of gas they bought to travel to work or for commercial purposes.

I said this afternoon that an hon. member or senator who is the owner or president of a business owning four vehicles or who bought one vehicle from his company with credit cards registered with that same vehicle will come to Ottawa and will buy gas with his company's credit cards and he will get 19 cents a mile to travel and this measure will give him a rebate on the 10 cents a gallon tax on gasoline. Who will establish what we should take off and what percentage of that gasoline he bought for his business or to travel to Parliament? It will not be easy! Can you imagine a senior civil servant having to decide what to do? I say that there is a very important thing.

In my opinion, a bill should at least be applicable. In all fairness, this bill cannot be applicable, because, as I said a moment ago, it gives too much latitude to the officials who will decide who is to pay the tax and who is not.

[*English*]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on the motion by Mr. Turner (Ottawa-Carleton), seconded by Mr. Sharp, that Bill C-66, an act to amend the Excise Tax Act, be now read the third time and do pass. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Turner (Ottawa-Carleton)) which was agreed to on the following division:

● (2230)

(Division No. 66)

YEAS

Messrs.

Allmand	Gendron	McRae
Anderson	Goyer	Milne
Appolloni (Mrs.)	Guay (St. Boniface)	Morin (Mrs.)
Baker (Gander-Twillingate)	Guilbault	Nicholson (Miss)
Basford	Haidasz	Parent
Béchard	Herbert	Pearsall
Bégin (Miss)	Holt (Mrs.)	Pelletier (Hochelaga)
Blais	Hopkins	Penner
Blouin	Isabelle	Philbrook
Breau	Jamieson	Portelance
Buchanan	Kaplan	Poulin
Campagnolo (Mrs.)	Lajoie	Prud'homme
Campbell (Miss) (South Western Nova)	Lalonde	Railton
Clermont	Landers	Reid
Comtois	Lang	Robinson
Condon	Lapointe	Rompkey
Corriveau	Leblanc (Laurier)	Roy (Timmins)
Côté	LeBlanc (Westmorland-Kent)	Roy (Laval)
Cullen	Lefebvre	Sharp
Danson	Loiselle (Saint-Henri)	Smith (Saint-Jean)
Demers	MacDonald (Cardigan)	Stanbury
Douglas (Bruce-Grey)	MacEachen	Stewart (Cochrane)
Duclos	MacFarlane	Stollery
Dupras	MacGuigan	Tessier
Duquet	Mackasey	Turner (London East)
Ethier	Maine	Watson
Fleming	Marceau	Whelan
Flynn	Marchand (Kamloops-Cariboo)	Young—87.
Foster		
Fox		
Gauthier (Ottawa-Vanier)		

NAYS

Messrs.

Alkenbrack	Elzinga	Malone
Allard	Epp	Matte
Andre (Calgary Centre)	Gauthier (Roberval)	McCain
Baker (Grenville-Carleton)	Gillies	McGrath
Baldwin	Halliday	McKenzie
Balfour	Hargrave	McKinley
Beatty	Huntington	McKinnon
Beaudoin	Johnston	Muir
Benjamin	Jones	Munro (Esquimalt-Saanich)
Broadbent	Kempling	Nowlan
Caouette (Villeneuve)	Knowles (Winnipeg North Centre)	O'Sullivan
Clark (Rocky Mountain)	Knowles (Norfolk-Haldimand)	Paproski
Clarke (Vancouver Quadra)	Lambert (Bellechasse)	Peters
Coates	Lambert (Edmonton West)	Rodriguez
Crouse	Lawrence	Saltsman
Darling	MacKay	Scott
Dionne (Kamouraska)		Stevens
		Towers
		Whiteway
		Wise
		Yewchuk—54.

● (2240)

Mr. Speaker: I therefore declare the motion carried.

[The Acting Speaker (Mrs. Morin).]

Motion (Mr. Turner (Ottawa-Carleton)) agreed to and bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—LEVY CHARGED ON MANUFACTURING MILK—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, I rise again tonight in the adjournment debate to speak on behalf of the dairy farmers of Canada, some of whom are my constituents trying to earn a living in the dairy industry. I join a long line of colleagues in this House—the hon. member for Oxford (Mr. Halliday), the hon. member for Joliette (Mr. La Salle), the hon. member for Elgin (Mr. Wise), the hon. member for Hastings (Mr. Ellis), and the hon. member for Richmond (Mr. Beaudoin)—in protest against the increasing levies being imposed on dairy farmers to pay for the inefficiency and uneconomic powdered milk export programs of the government.

● (2250)

Many of the statistics have been read into the record concerning this problem. I will not go into the statistics tonight because I wish to make my point regarding export markets, as I believe our efforts should be aimed in that direction if we are to avoid further cost to the Canadian consumer for dairy products.

Correspondence we have received from the Ontario Milk Marketing Board, the Canadian Federation of Agriculture, the dairy farmers of Canada and from all the county milk committees of Ontario has expressed great concern. Their sound arguments are generally that our dairy producers do not think it fair that they should be called upon to bear all the burden of the deficits on powdered milk exports. Of course this situation is caused by the fact that the milk producing member nations of the European Economic Community each subsidize their dairy farmers to a degree which protects them from all costs and deficits connected with the export sale of powdered milk, it being the least and last residue of the industry.

Then the EEC headquarters in turn, I believe, protects and reimburses the governments of each one of those nations. Unfortunately that is not the case here, and the Canadian dairy farmer now faces the full onslaught of the competition of the European Economic Community and is now actually subsidizing it to the tune of another 45 cents as of July 1, and I am informed that will amount to another $250 million per year when the 45 cents per hundred is applied to our total national production.

It was only last spring when the Prime Minister (Mr. Trudeau), amid much publicity, conferred with the mem-

bers of the EEC and was reported to have made overtures for contractual agreements with the big nine, but he did not put one word in on behalf of the Canadian dairy farmer. No, we get the back of the hand of the EEC.

Continuing the point I wish to make, what about these loudly touted contractual agreements by the Prime Minister on his visit to the EEC? Was there any economic strategy whatsoever to the representations of the Prime Minister? Apparently not. Can the government not direct its marketing efforts on powdered milk to other markets in countries now receiving bounteous and almost free Canadian aid, for example, the $10 million soft loan to Cuba which I opposed in February and May when the government was giving Cuba $10 million cash at 3 per cent interest for 30 years, with no repayment for the first seven years? Why does the government not make that contribution in powdered milk instead of cash wrested from the taxpayers of this country, some of whom are the dairy farmers of Canada?

What is happening at the present time? I know there is a large surplus of powdered milk accumulating in the world. The European Common Market has 700,000 tons of it. Today's Montreal *Star* carries an article which demonstrates that the European Economic Community is in command of this situation and that the Trudeau government is not even trying to compete with it in getting rid of skim milk surpluses. The article is headlined "Market may sell Egypt $385 million food surplus", and I quote from it:

> Brussels—The Common Market commission is negotiating a controversial deal with Egypt involving the sale of about $385 million worth of EEC food surpluses.
>
> According to Abdel Rohman El Chazli, the Egyptian supply minister, the package would include 1 million tons of wheat, 75,000 tons of sugar and 23,000 tons of dairy products.
>
> In addition, 20,000 tons of the EEC's mountain of skimmed milk powder—now standing at 700,000 tons—will be given to Egypt as food aid.
>
> Egypt is desperately short of both food and cash and it is likely that the deal will be financed by credits recently granted to Cairo by Kuwait and Saudi Arabia. However, if it goes through, EEC farmers also will reap considerable benefits.

The EEC sees to it that its dairy farmers receive the benefits of its world trade strategy. Hon. members will note the article mentions EEC finances by credits extended to needy countries.

To finish making my point there is another item in today's Montreal *Gazette* headlined "Half million Angolans face starvation." Why could Angola not use some of our powdered milk to feed its half million refugees?

Let us survey the problems of CIDA. Wherever this agency extends large amounts of cash in aid to needy countries, wherever possible let skim milk powder be part of that cash. That would reduce the current load on the dairy farmer who now takes the penalty of 90 cents per hundred. In my county there are many producers who say that the latest 45 cent levy will cost them at least $5 per day. One industrial milk producer near Napanee told me it currently costs him $160 per month.

There is one more point to be made on behalf of the dairy producers. They abide by the first 45 cents levy, which went on the first of the year, but they strongly protest the application of the second 45 cents levy in the middle of the year. With dairy farms the calendar year is their fiscal year, generally speaking. They have commitments made on that basis that they must keep, commitments to many accounts, mainly financial, and to make another unexpected levy on them out of thin air the first of July in mid-year is very unfair to the industry. In many, many cases it is going to be a matter of the knife edge of profit or loss, but mostly loss on the year's operations.

I respectfully ask the minister to examine that 20 per cent portion of the formula laid down. As reported at page 7960 in *Hansard* of July 25, his parliamentary secretary said in reference to the 20 per cent margin:

> This is an advantage that allows us to consider a number of factors, for instance significant changes in domestic and international stocks, changes in the revenue of dairy producers in other countries or major changes in competitive costs inherent in processing.

In closing, Madam Speaker, I say to the Prime Minister, to the government, and to the Minister of Agriculture, climb out of the swimming pool and into the think tank—withdraw the recent 45 cent levy—smarten up and look further into this problem. We can compete with Europe, but to do so we must improve our strategy as world traders. We can compete with them, and can do so without forcing the dairy farmers of Canada to foot the whole bill.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am forced to repeat almost the same thing I have been saying a number of times recently, because we are asked the same question all the time. Anyway, I might have an explanation for the hon. member. Producers already undertook with the Canadian government to pay export costs, under supply management programs.

One important matter remains to be clarified concerning exports. In order to do that, I will have to explain the current situation of world trade. Powdered skim milk stocks have been on the increase and prices are declining. At the beginning of 1975, skimmed milk powder was selling at 45 cents. In April, when the European Economic Community increased its exports subsidies, the price went down to 36 cents a pound. It has been declining ever since, and is now at 26 cents a pound. You must therefore understand how serious the problem is.

Faced with such a decline, Canada must choose one of two alternatives. Either we meet competition and sell at low prices, or we accumulate stocks. Clearly, the second alternative must be rejected because it would be much too costly. But we have to face the facts. If we sell at low prices, we must assume the loss because on each pound of skimmed milk powder originally priced at 64 cents, there is a loss of 37 cents. Assuming the total export volume is 200 million pounds, we get an astronomical figure of $74 million.

The government must act therefore. It must increase the export levy on industrial milk. The amount of the levy has been 90 cents a hundred weight since July 1. Although strongly criticized, such an increase is needed to maintain skimmed milk powder sales at current world prices. Let me explain. We were fully justified to announce a target price when world price was abnormal. In April, such a price still allowed to face competition, thanks to the level of levy we had then. Unfortunately, there has been since a

radical change, and the Canadian government had no responsibility there. It is known that our department is strongly interested in exports. We have always tried to find new markets for Canadian products. The present situation leaves us with little alternative. We already examined the effects of government financing, but it would produce more problems than it would solve. Madam Speaker, I think it is relevant to say that the same question has been put to us several times. We are forced to give nearly always the same answer.

● (2300)

[*English*]

ENERGY—NATURAL GAS—POSSIBILITY OF GOVERNMENT PROMOTING POLAR PIPELINE THROUGH MANITOBA

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, the subject I wish to debate in this evening's adjournment debate is the critical situation facing Canada and the United States, the serious shortage of natural gas, and why the polar gas pipeline ought to be routed through Manitoba.

As you know, Madam Speaker, I and my colleagues raised this matter previously in this House. Two circumstances prompted me to raise the matter again on this occasion. The first of these is the government's inaction in attempting to find a solution to our country's impending shortage of natural gas, a shortage which will be made more serious by the expected shortages and higher prices of other forms of energy.

As an authority, may I quote the words of Mr. Bruce Wilson, former president of Union Gas of Chatham, Ontario. Speaking in Ottawa last May, Mr. Wilson said:

> Reserves of natural gas are declining in Canada. There has not been a major discovery in the southern half of the western Canada sedimentary basin in the last seven years. At the same time, production rates have increased.

He summed it up by saying, "My main point is that there is a tremendous supply problem facing Canada." I hope that the Minister of Energy, Mines and Resources (Mr. Macdonald) realizes this. His actions to date do not support this hope to any great extent.

The obvious course of action for the government is clear. It should take definitive action to encourage the building of a natural gas pipeline from the Arctic islands, where the reserves of the future lie. Apparently, the government has been playing around with the decision on whether to support the plans to build the Mackenzie Valley pipeline or the plans of the polar gas consortium. I believe the right decision is obvious if benefit to Canada as a whole is the main criterion.

Let me read part of an article carried in today's Ottawa *Journal*. The caption over the headline reads "18 Design Faults Charged." The headline is, "Pipeline Inadequate", and the body of the article, which was written in Washington reads in part as follows:

> ... Design on the proposed Canada-U.S. arctic natural gas pipeline is inadequate, the U.S. interior's department stated Monday.
>
> The project which includes the Mackenzie Valley pipeline in Canada was analyzed in a 19 volume draft environment impact statement weighing 51-pounds and released by the U.S. government here.
>
> This study listed 18 faults in the pipeline design.
>
> [Mr. Corriveau.]
>
> ... the problems involve sections of the pipeline system which would be buried in the Arctic and sub-Arctic reaches of Alaska and northern Canada.

Let me point out that Manitoba faces a serious shortage of natural gas. New homes and businesses must find alternative fuels to supply heat and power.

Two alternative routes have been suggested for this pipeline. One route would put it through eastern Keewatin and Manitoba; the other, across Hudson Strait and down through northern Quebec. May I list my reasons for thinking the Manitoba route is the cheapest and most logical alternative. Consider the matter of construction. The Manitoba route would be an all-land route, while the Quebec route would involve the spanning of a large body of water, Hudson Strait. The building of pipelines on land involves, of course, a well understood and much practised technology; building under water does not involve any well understood technology. Surely problems would arise in connection with the under water route.

Let us also consider construction aids. In this regard the Manitoba route is far ahead of the Quebec route. The main aid to construction would be the Hudson Bay railway, which would run parallel to the pipeline from Churchill to The Pas for 510 miles. That route would provide the builders of the pipeline with cheap transportation help. The very presence of a railway and highway means that supplies could be transported quickly and cheaply to construction areas.

In the first phase of construction, materials would be taken to Churchill and loaded on supply boats, which would deliver materials to points along the Hudson Bay coast where construction would be taking place. In the later phases of construction, materials would simply be unloaded along the railway and highway, at the point where construction had proceeded. As a sideline, this would provide a much needed shot in the arm for the port of Churchill and the railway.

It must also be remembered that Quebec has no such rail or road system, and one would have to be built before construction could begin. This would greatly add to the cost of building the pipeline through Quebec.

A second construction aid available in Manitoba and not in Quebec is labour. In northern Manitoba skilled construction workers may be found along the route of the pipeline, with experience in building mines, smelters, hydro developments, forestry complexes, etc., while in Quebec no such labour supply exists, simply because of lack of population.

Thus, costs of transporting labour to the construction site would be cheaper in Manitoba than Quebec. Also it must be remembered that a pipeline through Manitoba would do much to alleviate chronic unemployment problems in the area, especially among the large native population. Again it must be emphasized that while Quebec may have the same problem, it is on a lesser scale because of the smaller total population in its northern areas.

As to the area served, here again Manitoba has the edge. A pipeline through Quebec would begin to serve its use when it reached an area only about 100 miles north of Montreal; before this it would travel through 1,000 miles of sparsely populated area.

In Manitoba its benefits would be felt, with the construction of several branch lines, as far north as Baker Lake, Chesterfield, Rankin Inlet and Whalecove, and thence to the great seaport of Churchill.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member but his time has expired.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, even though the hon. member did not finish his speech I believe I got the main drift of his remarks. He has suggested that the polar gas route is an immediate alternative means of supplying frontier gas. At the present time the supply from the Arctic Islands is insufficient to justify the construction of a polar route—only about 14 trillion cubic feet have been established, whereas the minimum threshold volume is estimated to be at least 20 trillion cubic feet before such a pipeline is feasible. Estimates of the volume needed could rise if unexpected costs arise in the course of pipeline construction or if there are physical obstructions discovered which would make the route more expensive than presently evisaged.

There is also a great deal of research development and planning work to be carried out before a polar gas pipeline can go ahead. The federal government is interested in seeing this research work carried out so that the pipeline may go forward. Possibly Petro-Can could be the vehicle for federal government participation since one of the objectives of the corporation is energy research and development.

As the minister said in the House, the government does have an interest in this pipeline because it is a 45 per cent shareholder in Panarctic. Thus, as reserves of gas are proven in the Arctic islands and the necessary technology is developed, it would become possible to go ahead with this route to deliver the gas from the Arctic regions to southern Canada.

Motion agreed to and the House adjourned at 11.13 p.m.

HOUSE OF COMMONS

Wednesday, July 30, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

PROPOSED TASK FORCE TO DETERMINE MEASURES TO AID SYDNEY STEEL OPERATION—MOTION UNDER S.O. 43

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to propose a motion on a matter of urgent, pressing and grave necessity.

In view of the extremely high level of unemployment in the Cape Breton area of Nova Scotia which has been aggravated by a series of layoffs at the Sysco steel operations at Sydney, amounting to over 800 employees, which will in all probability be followed by additional layoffs as a result of a massive breakdown in the rail mill, coupled with the fact that cheap foreign reinforcing steel is entering Nova Scotia while Sysco has a stockpile of such material, I move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That the Department of Regional Economic Expansion combine with the Departments of Labour and Manpower and Immigration to form a task force of experts from these departments to immediately go to Sydney to determine what urgent actions can be initiated, both technically and financially, to overcome the terrible economic crisis that has beset the total community and the impending possible collapse of the present operation, with no concrete indication by the federal and provincial governments that Cape Breton Island will definitely be the site of the proposed and promised new steel complex.

Mr. Speaker: Order, please. I should point out that as the indicated order of business for today, which is in fact a motion that the House do now adjourn for a period of time, is such that its subject matter would permit a very wide range of subjects to be discussed, including ones of the nature raised by the hon. member, it is difficult to see how it is possible to ask that this subject matter be set aside in order to debate something else when in fact under the umbrella of that subject matter it is possible to debate almost anything. However, in the moments remaining I will simply put the motion to hon. members, having expressed that reservation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

SOCIAL SECURITY

REQUEST FOR ACTION TO INCREASE OLD AGE AND VETERANS PENSIONS AND ALLOWANCES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave under the provisions of Standing Order 43 to present a motion dealing with a matter of urgency to which I hope the government will give attention during the recess. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government, in its preparations for the portion of the present session that is to be resumed in October, to give serious and earnest consideration to the introduction of legislation to provide for a substantial increase in the amount of the basic pension under the Old Age Security Act and to provide for corresponding increases in veterans' pensions and allowances and in all social benefits.

Mr. Speaker: Order, please. With a second reservation as to whether this is a matter of urgency, and in celebration of the occasion by not differing with hon. members, I will simply bring to the attention of members that the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): It could have been passed without debate.

* * *

[*Translation*]

ENERGY

SUGGESTED MAINTENANCE OF DAYLIGHT SAVING TIME TO CONSERVE ENERGY—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an extremely urgent issue. In view of the fact that our national economy is eroded by an ever growing inflation, that we are trying by every possible means to fight that evil and that the government has levied a 10 per cent tax on gas, to improve economic conditions in the country, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House take the necessary steps to pass a bill to keep daylight saving time and thus really help the consumer to save energy without having to spend a cent.

Mr. Speaker: Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

● (1410)

* * *

MANPOWER

SUGGESTED TRANSFERENCE OF FUNDS FROM UNEMPLOYMENT INSURANCE TO LOCAL INITIATIVES PROGRAM—MOTION UNDER S.O. 43

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

Considering that $4 billion will be paid out during 1975-76 in unemployment insurance benefits, that this money will serve to support people doing nothing, while a mere $150 million will be used to create jobs under the LIP program, taking into account the great advertising campaign on the radio to invite people to submit projects, and the fact that a great many projects may be turned down for lack of funds, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That the House recommend to the Treasury Board to transfer part of the $4 billion of credits to be spent by the Unemployment Insurance Commission to the Department of Manpower, so that the minister may accept a larger number of LIP projects and thus create more jobs, which would certainly give greater satisfaction to the serious-minded people of our country.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

ALLEGED UNITED NATIONS SUGGESTION CANADA PAY COST OF SWITCHING SITE OF CRIME CONFERENCE FROM TORONTO—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Secretary of State for External Affairs. Arising out of the knuckle-rapping delivered to the government by the UN Committee on Conferences yesterday, I wonder whether the minister would tell the House what instructions have been given to our representatives in New York with regard to the reported plan of the Committee on Conferences to ask Canada to pay the cost of switching the site of the crime conference from Toronto to either Vienna or Geneva.

[Mr. Speaker.]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I understand one of the delegates made that comment in passing yesterday. It has not been transmitted to us nor have we considered such a possibility.

REPRESENTATIONS ON EFFECT OF POSTPONEMENT OF UNITED NATIONS CRIME CONFERENCE IN TORONTO—GOVERNMENT ACTION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I ask the Acting Prime Minister whether the government has received representations from the Metro Toronto Hotel Association, among others, stating that cancellation of the crime conference will cost these hotels $1.9 million and will result in the laying off of some 500 hotel employees as well as other groups including student groups and asking government assistance to meet this serious situation. Have such representations been received and what is the government's position in this regard?

Hon. Mitchell Sharp (Acting Prime Minister): I can confirm that such representations have been received. They have not been given any consideration as yet. There has been no opportunity to do so, but I do not want to encourage anyone to think we would accept them.

HUMAN SETTLEMENTS CONFERENCE IN VANCOUVER—INQUIRY AS TO GOVERNMENT PLANS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a supplementary for the Secretary of State for External Affairs. On Friday last, in answer to a question concerning the Human Settlements Conference in Vancouver, the minister assured the House that it would be going ahead as planned. In view of developments over the past few days, particularly the information given by my colleague the hon. member for Northumberland-Durham, I should like to ask the minister this week whether his government has made any alternative plans in view of the information which has been coming to the government.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker. The statement which I made I believe last Friday in respect of this question still stands. Canada proposes to continue its plans and has the clear intention of hosting this conference next June.

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AIRPORTS

PICKERING—GOVERNMENT INTENTIONS WITH REGARD TO PROCEEDING WITH PROJECT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Transport. Following his and other cabinet ministers' meeting yesterday with their counterparts in the government of Ontario on the question of the Pickering airport, is he now in a position to inform the House in a clear, precise and

unequivocal way what are the government's plans for the Pickering airport now?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I read a report in the *Globe and Mail* this morning about the meeting I had yesterday with the Ontario ministers and I think it contains only one inaccuracy. The cabinet asked me to report on the meeting, and that is all, but if I read the *Globe and Mail* article correctly, it states that a new decision is supposed to be made about Pickering airport. This is not what the cabinet asked me to do. I was just asked by the cabinet to make a report.

Mr. Broadbent: But I am asking the minister.

Mr. Marchand (Langelier): The hon. member will have to wait until the cabinet has met.

PICKERING—GOVERNMENT PLANS BEYOND 1977

Mr. Edward Broadbent (Oshawa-Whitby): It is even worse than I had expected.

An hon. Member: That is impossible.

Mr. Broadbent: In view of the uncertainty, not only for the people in Ontario as a whole, but in particular for the people who live in the municipalities directly affected by the Pickering airport decision in terms of the zoning plans for the years ahead, can the minister tell us now what the government's intention is because of the new uncertainty that had arisen about building up until 1977, and then what precisely does he plan to do beyond 1977? Does he have a full scale airport in mind beyond 1977?

Hon. Jean Marchand (Minister of Transport): If the hon. gentleman read the whole article he would have seen that I will recommend to cabinet that we stick to our decision and that nothing be changed.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Of course, cabinet has the authority to change the whole thing. This is the Government of Canada and they can say no. But this will not be my recommendation. My recommendation is to the effect that we should stick to the decision we made to construct first a mini-airport to be completed by 1977, and only then will we decide whether we want to go all the way.

Mr. Broadbent: We will not be entirely surprised if the cabinet does change its mind. But if the minister is saying to the House that in 1977 the government will make another decision on what will happen beyond 1977, I would like to ask him what he meant in his letter to Premier Davis dated June 12 and tabled in the Ontario legislature on July 11, when he said that federal plans were proceeding for a "subsequent phase of development for Pickering for implementation by 1981". The implication is that the plans are already made for beyond 1977. Elsewhere in the letter the clear indication is of a full scale airport. If so, can the minister tell the House now whether that is the federal government's intention now?

Mr. Marchand (Langelier): What I have said to the House and in public still holds true. This means that we will build a mini-airport with one runway and a terminal, of course, and in 1977, if new facts come up, we will reassess the situation because technology in that field can bring something new and perhaps Canadians might feel that the time has come for the situation to be reassessed. So, we will keep the liberty to decide then. However, our decision is to build a completely new airport in Pickering with the proviso that in 1977 there will be a reassessment in case new facts are brought to light.

● (1420)

PICKERING—SUGGESTED MORATORIUM ON CONSTRUCTION UNTIL COST-SHARING WITH ONTARIO SETTLED

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, following on the questions asked by the Leader of the New Democratic Party I have a question for the Minister of Transport. Because of the fact that Dorval airport has not as yet reached full saturation, and it is expected that Mirabel will operate at less than its capacity well into the 1980's indicating a levelling off in the prediction of air travel, will the minister in this day of economic restraint and in accordance with the wishes of the majority of Toronto's population, including the city council, place a moratorium on the construction of Pickering airport with a view to resolving first the cost-sharing situation between Ottawa and the Ontario government, which is now estimated at a minimum of $516 million?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. Any government which has the responsibility for building airports or this kind of facility provides not only for the needs which are established or foreseen, but also for a certain expansion. Airports are not built for needs defined at this very moment, and this is what is happening in Dorval. We have known that for a long time. We knew, at the beginning that it would take time before the transfer of companies from Dorval to Mirabel, and that it would take a certain time before there is a full use of Mirabel. It will be the same thing in Pickering.

Mr. Jelinek: In his earlier reply the minister mentioned new technology. Could he explain, therefore, the discrepancy existing between his statement that an airport is needed at Pickering to offset the noise pollution at Malton airport and the statement in a Ministry of Transport pamphlet noting that a major breakthrough in new technology has in fact made airplane engines quieter which makes—

Mr. Speaker: Order, please. The hon. member for Abitibi.

* * *

[*Translation*]

ENERGY

PETROLEUM PRODUCTS—FEDERAL DELEGATES TO PETROLEUM SEMINAR IN QUEBEC

Mr. Gérard Laprise (Abitibi): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources.

The second international seminar on petroleum economy will be held at the beginning of October next in

Quebec City. Would the minister be in a position to tell the House whether he and the officials of his department have been invited to attend or to participate in this important international seminar on petroleum economy or whether persons who are not necessarily working in his department but are involved in energy will also attend?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I shall not attend personally the seminar referred to by the hon. member. However, I shall make inquiries among the officials of my department to find out if any of them will attend.

* * *

[*English*]

HOUSE OF COMMONS

REFERENCE TO ALLEGATIONS BY MEMBER FOR BERTHIER-MASKINONGÉ CONCERNING ILLEGAL ACTIVITIES OF SOME MEMBERS—GOVERNMENT ACTION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Acting Prime Minister. Has the Acting Prime Minister taken note of press statements attributed to the hon. member for Berthier-Maskinongé to the effect that several other members of the House have engaged in activities similar to those of which he has been accused, and has the Acting Prime Minister taken any action to identify those members and the activities to which the hon. member for Berthier-Maskinongé was referring?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I have not seen these comments, and I am sure the hon. member will agree that the hon. member to whom he referred has not been found guilty of the offence with which he has been charged.

CHARGES AGAINST MEMBER FOR BERTHIER-MASKINONGÉ—POSSIBILITY OF ACTION UNDER SENATE AND HOUSE OF COMMONS ACT

Mr. Allan B. McKinnon (Victoria): I do not ask these questions with any gladness in my heart.

Some hon. Members: Oh, oh!

Mr. Paproski: You would be cutting us up in pieces if it were one of ours.

Some hon. Members: Oh, oh!

Mr. McKinnon: I believe the institution we all serve demands that these things be clarified if possible. My supplementary question is to the Minister of Justice. Has the minister examined the evidence put forth in regard to the charges laid against the hon. member for Berthier-Maskinongé to see whether this evidence warrants any action under the Senate and House of Commons Act? If so, what conclusion has the minister and his officials reached in this regard.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have not examined the question in quite that context. The matter is one that is properly in the hands of the provincial attorneys general.

[Mr. Laprise.]

EXTERNAL AFFAIRS

ORGANIZATION OF AMERICAN STATES—POSSIBILITY OF CANADIAN MEMBERSHIP

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, a question for the Secretary of State for External Affairs. Could the minister tell the House whether he has had any reports from the Canadian observer at the OAS meetings, in San José, Costa Rica and in particular if the Canadian government was given any reason in these reports to press for closer ties with that organization—such as full membership?

Mr. Prud'homme: No way!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not been pressed at this point, nor has the government of Canada, to undertake full membership at OAS or within the organization. I welcome, however, the decisions which have been taken at this meeting, particularly the support of the United States government, for such a decision. This does pave the way for a resolution of the difficulties we have been experiencing in our trade with Cuba.

* * *

TRADE

EFFECT OF DECISION OF ORGANIZATION OF AMERICAN STATES TO LOWER TRADE BARRIERS WITH CUBA—POSSIBILITY OF SUGAR AGREEMENT

Mr. Donald W. Munro (Esquimalt-Saanich): A supplementary, Mr. Speaker. I thank the minister for his reply and for his very convenient lead into my second question which is directed to the Minister of Industry, Trade and Commerce. Could the minister tell us whether the decisions taken in Costa Rica this week to lower the trade barriers with Cuba have prompted the minister to bring out any contingency plan he may have to enter into conversations with Cuba and other Caribbean countries with a view to concluding long term sugar agreements?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the information I have received indicates that the Organization of American States has decided to conclude, to finish, to turn off the embargo of Cuba. That is, from our point of view a very welcome development. The other part of the hon. member's question about sugar was not part of any report I have seen emanating from San José.

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AGRICULTURE

LEVY ON INDUSTRIAL MILK—POSSIBILITY OF CHANGE IN POLICY

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Minister of Agriculture. As the minister is no doubt aware, the producers of manufacturing milk are highly concerned about the recent increase in the levy that they are required to pay to offset losses on

exports of skimmed milk powder through the Canadian Dairy Commission. This levy was raised from 15 cents per hundredweight in March to 90 cents per hundredweight of milk at the beginning of this month. Does the government have any plans to iron out the fluctuations in the size of this levy through the establishment of some sort of fund, that would serve to iron out the ups and downs of producers' contributions and allow them to plan their operations on a long term basis?

Mr. Speaker: Order, please. This sounds to my unpractised ear to be very similar to a question put to the minister yesterday but perhaps he may still care to reply.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the suggestion has been made to us by the dairy producers and we are considering it.

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CONSUMER AFFAIRS

SUGGESTED PUBLICIZING OF EXTENDED AUTOMOBILE WARRANTIES—POSSIBLE CONSULTATIONS WITH PROVINCES ON LEGISLATIVE ACTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and I am glad to see him back in the House today. In view of the minister's evasions with respect to questions I have asked in this House regarding the existence of extended warranties placed on certain models of automobiles by automobile companies and his obstinate refusal to make consumers aware of their rights, I wish to ask if the minister is now prepared to publicize, through Box 99, all extended warranties which have existed, now exist and may be found to exist in the future?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can assure everyone that the information made public by the Automobile Protection Association will be distributed on request by the officials of my department, but obviously that information is the exclusive responsibility of the association concerned and not that of my department.

[*English*]

Mr. Rodriguez: Mr. Speaker, my supplementary question is for the same minister. In view of the fact that this matter cuts across federal and provincial responsibilities legislatively, will the minister advise the House if he is prepared to meet with provincial ministers of consumer affairs in order to devise legislation which would provide consumers with all information regarding warranties, regular or extended? Since he has until October before Bill C-2 comes back to the House, would he reconsider his previous position and bring in an amendment which would provide for class actions as this is clearly what is needed in cases like these? Would he also inform the House how he intends to proceed to ensure that all consumers who have been ripped off as a result of not having the knowledge of the extended warranties, and so paid for repairs unnecessarily out of their own pockets, are compensated?

● (1430)

[*Translation*]

Mr. Ouellet: Mr. Speaker, first of all, the hon. member seems to take it for granted that there were irregularities committed by some companies. I beg to disagree. Secondly, what matters most to me is to guarantee the consumer maximum protection and not to make irrational and foolish statements such as the hon. member has just done. I am willing to consider and discuss possible legislation with my provincial counterparts, if such discussions are deemed important and likely to afford greater advantages to car users.

* * *

[*English*]

NATIONAL SECURITY

ALLEGATION CIA IS ATTEMPTING TO UNDERMINE AUTHORITY OF GOVERNMENT OF BRITISH COLUMBIA—REQUEST FOR REPORT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the Acting Prime Minister or the Solicitor General, whichever is competent.

Some hon. Members: Oh!

Mr. Clark (Rocky Mountain): It arises from reports broadcast in Vancouver this morning that a senior minister of the British Columbia government, the Hon. Bob Williams, stated yesterday that the government of British Columbia has sent to the government of Canada documented evidence that the CIA is working in British Columbia to undermine the authority of the government of that province. Can we be advised whether the government of Canada has received such information and, if so, what action has been taken or is contemplated?

Hon. Mitchell Sharp (Acting Prime Minister): I, too, heard this report, Mr. Speaker. I made inquiries but as far as I have been able to learn no such evidence has been provided. I understand the Solicitor General also had his office searched and that he has not been able to find any such evidence.

POSSIBLE DISCUSSIONS BETWEEN CANADIAN OFFICIALS AND CIA CONCERNING ACTIVITIES IN BRITISH COLUMBIA

Mr. Joe Clark (Rocky Mountain): My supplementary is directed to whichever minister is responsible for security matters. I should like to know whether there has been any discussion between the CIA and Canadian security officials relative to activities of the CIA in British Columbia which might lead to the events reportedly complained of by a minister of the B.C. government.

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. Nobody has ever complained to us about any such activities in British Columbia, and I have been in touch recently on several occasions with ministers in British Columbia. We heard about this report late yesterday or early today. We are investigating. There is no correspondence in the Prime Minister's office to substantiate this

allegation but we would be willing to discuss the matter if any were brought forward.

Mr. Clark (Rocky Mountain): My supplementary sought to ascertain whether there had been any discussions, any advice given by the CIA to security counterparts in Canada, which would indicate that there might be the kind of activity going on in British Columbia about which a Minister of the Crown in that province has apparently complained. Has there been any consultation of this kind between the CIA and Canadian security officials?

Mr. Allmand: Before the question period we checked with certain security officials in our department and they told us that this matter had never been raised either from British Columbia or from Washington.

Mr. Baldwin: Why don't you monitor their phones?

* * *

CRIMINAL CODE

PROPOSED AMENDMENT TO PROVIDE FOR RETURN TO THIS JURISDICTION OF A PARENT WHO KIDNAPS CHILD—GOVERNMENT POSITION

Mrs. Simma Holt (Vancouver Kingsway): Mr. Speaker, I should like to direct my question to the Minister of Justice. Children are citizens and should receive all the rights and protection of a person, a citizen, within the law. However, throughout Canada children are being kidnapped by a parent in defiance of court orders on custody. One appalling case is the kidnap more than a year ago of five children of tender age—13 months to six years—

Some hon. Members: Question!

Mrs. Holt: —of Mildred Watson of Mission, B.C., by Eduardo Antonio Gomez. The children were taken to the Philippines.

Some hon. Members: Question!

Mrs. Holt: In view of the fact that when a criminal flees to another province or country, that criminal is pursued and returned, will the Minister of Justice consider bringing in amendments to the Criminal Code to ensure that parent-kidnappers will be pursued, arrested and returned to the jurisdiction in the same way as any other dangerous criminal?

Hon. Otto E. Lang (Minister of Justice): I thank the hon. lady for drawing this problem to our attention. I will certainly look at the social and legal implications of the change suggested and comment further in due course.

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DISASTERS

DAMAGE TO ST. BONAVENTURE BY TORNADO—REQUEST FOR FEDERAL AID

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Acting Prime Minister. It arises from my belief that, primarily, Canadians should help Canadians in times of need. Will the government be giving appropriate assistance to the stricken village of St. Bonaventure following the damage caused there recently by a tornado, the extent of the disaster being now estimated at $3 million?

Hon. Mitchell Sharp (Acting Prime Minister): As the Prime Minister said when he was asked a similar question, the government of Canada does stand ready to assist the provinces on application in cases of disaster. We have a formula which applies generally and which does not discriminate on the basis of particular cases—only on the basis of whether a province itself shares part of the cost. If the Province of Quebec makes an application, it will be considered on its merits.

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NORTHERN AFFAIRS

CHURCHILL RIVER POWER PROJECT—REASON FOR FUNDING INDEPENDENT GROUP—RIGHT OF GROUP TO LAY CHARGES AGAINST PROVINCE OF MANITOBA

Mr. Dean Whiteway (Selkirk): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I would direct my question to his parliamentary secretary. Bearing in mind the fact that the minister and his department are trustees of land reserved for the Indian people, how is it that the minister funds an independent group of citizens to the tune of $800,000? Does this group have the right to lay charges against a provincial government—I have in mind the case of Nelson House and the Manitoba hydro development? Or does the minister retain the right to do so, in which case what was his purpose in financing an independent private group to the extent I have mentioned?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The minister has indicated that legal action in Manitoba is only one of the options to be considered. I think the hon. member has overstated his case somewhat. However, I will bring his question to the attention of the minister and I am sure he will reply.

Mr. Whiteway: Perhaps the parliamentary secretary misunderstood my question. I did not ask whether or not the minister intended to take legal action. I asked whether he had given the authority to take legal action to an independent committee. If so, has he forfeited his rights and duties as minister to be trustee over this land; alternatively, if he has not given the right to this committee, why has he funded it to such a large extent?

Mrs. Campagnolo: Mr. Speaker, the minister has not forfeited his right as minister. I shall be happy to bring this matter to his attention for further discussion.

NATIONAL DEFENCE

POSSIBILITY OF SEPARATION OF BRANCHES OF ARMED FORCES—GOVERNMENT POSITION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to address a question to the Acting Prime Minister. Does the government have under consideration the total reorganization of Canada's armed forces in such a way as to bring about a distinctive separation between the Army, the Navy and the Air Force, in view of the fact that the attempt to convince others that unification of the forces has merit and value has been a miserable failure? Is it the government's intention to re-establish our forces on the same basis as those of our NATO partners and other forces with which we come into contact in the course of our international functions?

Hon. Mitchell Sharp (Acting Prime Minister): I know of no such plan. I am surprised that the hon. member should repudiate the views of a former member of his caucus.

Mr. Coates: When this measure came before us I voted against it as did all the members of my party at that time. Regardless of what might have happened subsequently, I should like to suggest to the Acting Prime Minister that with a view to re-establishing a degree of morale in our armed forces and ensuring the best use of the limited number of personnel we appear to be able to afford at this time, the government accept the fact that unification has been a miserable failure?

Mr. Sharp: I thank the hon. member for reiterating his well-known views on this subject, but the government has no intention of changing its policy.

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MANPOWER

LOCAL INITIATIVES PROGRAM—ALLEGED CHALLENGE TO MEMBER'S NOMINATIONS TO LOCAL ADVISORY GROUP

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration or, in his absence, to the Acting Prime Minister or to the parliamentary secretary. In view of the fact that a member of parliament knows more about his constituency than does a special assistant to a minister of the Crown, may I ask what right a special assistant to a minister has to question, on an alleged language basis, the adequacy of the nominations made by a member of parliament in all sincerity under the Local Initiatives Program?

● (1440)

Mr. Speaker: Order, please. The hon. member is making an inquiry in a specific case which I am sure ought to be done in another way and, alternatively, asks for the rendering of an opinion as to the capacity of a person to check something in a member's office. The question fails on both grounds.

HOUSING

REQUEST FOR ASSURANCE NO INTERFERENCE WITH INSTALLATION OF INFRASTRUCTURE TO SERVICE DEVELOPMENT IN SOUTHWEST PART OF CITY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the chronic shortage of housing in the Ottawa area and in view of the statement, and indeed the financial commitment, of the Ontario government with regard to the commencement of construction in the southwest quadrant of the Ottawa area which is in accordance with local municipal, regional and provincial planning principles, can the minister assure the House that neither he, his representatives nor the government will permit any interference with municipal or regional officials with regard to the installation of the infrastructure on federal lands to service development in that part of the national capital area?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I did not get the last part of the hon. member's question.

Mr. Baker (Grenville-Carleton): My basic question is this: in view of the position taken by the Ontario government, the regional government and local municipal governments in the Ottawa-Carleton area with regard to development in the southwest quadrant of the national capital area, will the minister assure the House that neither he, anyone under his jurisdiction nor the government will refuse access across federal lands for the infrastructure to service development there, particularly in view of the fact that that land is available now, long in advance of any other area for development in the national capital area on the Ontario side?

Mr. Danson: Mr. Speaker, I do not think the hon. member and I are quite in agreement about what land is available for immediate development. It is not our intention to frustrate local plans. Indeed, we are trying to work out an amicable arrangement. There is a legitimate difference of opinion at this time. My meeting yesterday with the provincial and municipal officials was helpful. I hope we can resolve this. I can assure the hon. member we certainly will not be obstructive in any draconian sense.

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[*Translation*]

INCOME TAX

ALLEGED REFUSAL OF DEPARTMENT TO GRANT DEDUCTIONS FOR POLITICAL CONTRIBUTIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct my question to the Minister of National Revenue.

During the last session of the 29th Parliament, a law was passed which aimed at enabling Canadians to contribute to the funds of any political party they wish, and which provided for part of those contributions to be claimed as income tax rebates when returns are filed. Can the minister inform the House of the guidelines pursuant to which officials of his department can afford to ignore the receipts enclosed with the returns of a taxpayer who has

contributed to the funds of a political party, without due regard for the receipt which was issued under the law?

[*English*]

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, under the authority of provisions in the Income Tax Act and also with regard to the specific cases to which the hon. member has referred, which have been the subject of questions in this House, and as a result of discussions with financial representatives of his party, certain tax returns will be processed without the tax credit for political contributions until that matter is settled.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question for the minister.

Since the Department of National Revenue is very cautious, I wish to ask the minister whether or not this same caution is applied to officials who travel across Canada and produce receipts for expenses authorized under the law? Do those receipts receive the same scrutiny, as far as checking is concerned, as the receipts from taxpayers who have contributed to political parties?

[*English*]

Mr. Basford: Mr. Speaker, they are all processed in the same way. That process is that assessments and audits are applied to them.

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LABOUR CONDITIONS

POSSIBLE REFUSAL OF LONGSHOREMEN TO LOAD GRAIN FOR RUSSIA—GOVERNMENT POSITION

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of Labour. In view of the fact that representatives of Canadian longshoremen have voted to refuse to load grain for the Soviet Union, what action will be taken against the longshoremen if they go on strike? Also, what plans does the minister have to ensure that our grain commitment to the Soviet Union is met?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the government, like many trade union leaders over the past few days, does not approve of American interference in Canadian trade union affairs.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): It should be noted that some outstanding leaders in the longshoremen unions in various bigger ports have stated they have no intention of obeying this type of order from the United States.

[Mr. Lambert (Bellechasse).]

ENERGY

URANIUM—POSSIBILITY OF INVOLVING PROVINCES IN DEVELOPMENT OF EXPORT POLICY

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Does the minister have any plans to involve or has he been involving the provinces in order to get some input with regard to the development of a federal export uranium review policy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I responded to questions in this vein in recent weeks. I pointed out that the guidelines which have now been set down for uranium export were extensively discussed, both with users such as Ontario Hydro and the Ontario officials, as well as with producers in Ontario and the province of Saskatchewan. The standards we have now set for uranium export were indeed the subject of discussion before their implementation and since, with both the producing and consuming sides of the industry.

Mr. Gillies: Mr. Speaker, my question is more directly whether the provincial governments per se are going to be asked to have some input into this policy.

Mr. Macdonald (Rosedale): They already have, Mr. Speaker.

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NATIONAL FARM PRODUCTS MARKETING COUNCIL

COMPLAINT OF CONSUMER REPRESENTATIVE AS TO PROCEDURE—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Agriculture. Will the minister check into the very serious allegations made by the appointed consumer representative of the National Farm Products Marketing Council, namely that decisions are made on a majority vote and the consumer representative is of a minority and information is not given in time to provide for an informed decision? I might say these are the same allegations the representative made when she was the volunteer member of the board during the hearing of the special committee on egg marketing.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, knowing the capabilities of the person the hon. member speaks about, I am sure it will take some time for her to adjust to board procedures. I am sure the hon. member is not suggesting that a minority should rule the board.

SUGGESTED ACTION BY MINISTER OF CONSUMER AND CORPORATE AFFAIRS TO PROTECT CONSUMER INTERESTS IN COUNCIL

Mr. James A. McGrath (St. John's East): Mr. Speaker, I will direct my supplementary to the Minister of Consumer and Corporate Affairs. In view of the responsibility which is his to protect the consumer interests and in view

of the serious nature of this allegation, will the minister check into these charges with a view to recommending to his colleague, the Minister of Agriculture, what action can be taken to resolve the problem from the consumer point of view and to ensure that consumer interests are protected in the National Farm Products Marketing Council?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

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TRADE

PROPOSED REFERENCE OF REPORT OF ECONOMIC COUNCIL TO STANDING COMMITTEE—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. While recognizing the difficulty that a genuine believer in free trade has in the House regard to making progress, is the minister going to cavalierly dismiss the report of the Economic Council of Canada or will he consider referring it to a committee of this House, even if only for the purpose of education?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the report of the Council will be given every consideration by my department in its regular review of trade policy matters. As to the question of referring the particular report of the Economic Council of Canada to a standing committee, I would of course be very pleased to comply with any wishes of the standing committee.

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ENVIRONMENTAL AFFAIRS

REPORT OF INTERNATIONAL JOINT COMMISSION ON WATER QUALITY—GOVERNMENT ACTION TO CITE FIRMS MENTIONED AS CAUSE OF POLLUTION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Minister of the Environment, I will direct my question to her parliamentary secretary. What is the policy of the department as regards the specific citing of an industry as a major contributor to water pollution in a given area? Would the minister or his parliamentary secretary make firm representations to those industries cited in the report of the International Joint Commission's water quality board?

● (1450)

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I will be happy to take this question as notice. There is a lot involved in the question. The Ministry of the Environment is always very concerned about the location of various industries, especially if that involves places which would be detrimental to wildlife or to anything else under the jurisdiction of the federal government.

ROYAL CANADIAN MOUNTED POLICE

REFUSAL OF EMPLOYEES OF CN-CP TELECOMMUNICATIONS TO BE FINGERPRINTED—SOURCE OF REQUEST FOR SECURITY CHECK

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Solicitor General arising out of the case of the employees of CN Telecommunications and CP Telecommunications who have been dismissed because they refused to be fingerprinted, despite the fact that one of them at least has 23 years' service and all of them have passed previous security provisions. May I ask the minister whether or not these companies are carrying out this particular program on the instruction of the RCMP or of the Solicitor General of Canada.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not aware of such instruction. Maybe the hon. member could get a more complete answer from the Minister of Transport or the Minister of Supply and Services. I can say that in certain cases where telecommunications employees with the railways are dealing with sensitive material they are subject to security checks, and the security check is made by the RCMP at the request of the other department. But the decision with respect to security clearance is left with them after we give a report. As I say, perhaps more details can be had from the Minister of Transport or the Minister of Supply and Services.

* * *

CN-CP TELECOMMUNICATIONS

DISMISSAL OF EMPLOYEES FOR REFUSAL TO BE FINGERPRINTED—REQUEST FOR REPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. If I may pump another dry well for a moment, may I ask the Minister of Transport, who I know is very interested in the rights of employees, if he has not already done so, whether he will look into the case of the three employees who have been dismissed by CN Telecommunications and the one employee dismissed by CP Telecommunications because they refused to be fingerprinted? The Solicitor General is not clear whether the RCMP insisted on this or whether the company insisted, without warning. As I understand it, they were called to the office and told they must be fingerprinted or else be dismissed. Is the minister familiar with the case and has he taken any action; if not, will he look into the matter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as I said to the House a few days ago, these matters were raised as grievances by the union. They are presently proceeding, I do not know whether it is before an arbitrator or a conciliator of some kind, according to the agreement which they signed with CN and CP. I will wait and see what the result is of the proceeding before I make any recommendation to the Solicitor General, or to the cabinet if necessary.

Oral Questions

FISHERIES

REASON FOR EXPLORATORY FISHING FOR SWORDFISH—POSSIBLE LIFTING OF IMPORT BAN ON SWORDFISH BY UNITED STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, on July 18 I addressed the following question to the Minister of the Environment and the Minister of Fisheries, as reported at page 7704 of *Hansard*:

In view of the tender call for the charter of two vessels by the federal fisheries and marine service for exploratory fishing for swordfish during the months of July and August, could the minister indicate the reason for this exploratory work and inform the House if the United States food and drug directorate has lifted the import ban on swordfish as imposed some four years ago?

She promised to take that question up with the Minister of State (Fisheries), and since he is in the House today could he provide me with an answer, for many fishermen in Nova Scotia are eagerly awaiting the minister's report.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, as indicated, the program involving these two ships is very much intended to be experimental. One is to check again the mercury content and certain age levels of swordfish and also, although we are not very hopeful, we are trying to explore the possibility of removing mercury from the flesh. There is really nothing much more than that; it is strictly experimental.

Mr. Crouse: A brief supplementary question, Mr. Speaker. In light of the fact that there are ships at the present time from other countries fishing for swordfish off the coast of Nova Scotia, would the minister indicate where these ships are finding a market for swordfish?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, some nations do not seem to mind the mercury content of swordfish at the moment and do use it. We have no prohibition against selling fish if anyone wants to buy it. The problem is to find a market. Some states of the United States—this is a state matter—do allow consumption and selling within the state of swordfish products. We have a prohibition against it here in Canada, because of mercury levels, and there is no way we can export swordfish through the normal avenues if the U.S. government has banned imports.

* * *

CONSUMER AFFAIRS

REASON FOR SHORTAGE OF HOME CANNING MATERIALS—GOVERNMENT ACTION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs; I think he is eager to answer. Would the minister give the House an explanation of the extremely short supply of home canning materials, a shortage that has now extended to the province of Ontario and I expect will be given greater urgency than it has been up to now. What steps are being taken to improve the situation?

[Mr. Marchand (Langelier).]

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the problem exists not only in Canada but also in the United States. Several months ago, we took steps to help the Canadian companies. The Department of Industry, Trade and Commerce made sure that the two Canadian companies would have enough tin plate to meet the demand. Officials of my department visited those companies to encourage them to produce more of it, to double and even triple their production, which they did. Unfortunately, there was a shortage of the product in some sectors, but I can assure the hon. member that as far as the Canadian companies are concerned, they are producing at full capacity. We can do no more. Attempts will therefore have to be made to import some to make up the shortage. This is becoming increasingly difficult, as a similar shortage exists in the United States. Canadian consumers will therefore be asked to buy only what they need, and refrain from hoarding it for fear the shortage might become even more acute.

* * *

[*English*]

HEALTH

SUGGESTED ESTABLISHMENT OF ADVISORY BODY ON NUTRITION—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. In light of the latest report by the Food Prices Review Board indicating that the average cost of a nutritious diet for a family of four is rising month by month, will the minister accept the recommendation made by the Food Prices Review Board in February, 1975 in their release "What Price Nutrition?" to the effect that the government establish an advisory body, with input from provincial governments and other interested organizations, to make recommendations pertaining to nutrition and health?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is with pleasure that I take note of the hon. member's representation and shall consider it carefully.

* * *

[*English*]

OLYMPIC GAMES

STATUE "OLYMPIC"—REQUEST FOR ASSURANCE STATUE WILL NOT BE DESTROYED

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question which I will direct to the Postmaster General. I should like some guarantee, through you, Mr. Speaker, that the statue "Olympic" will not be destroyed by the Minister of Consumer and Corporate Affairs or the Postmaster General of Canada so that the people of Canada will be able to view the $50,000 masterpiece when we get back here in the fall?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, instructions have been given to put the statue on the grounds of the main post office building and we all hope it will be another Henry Moore.

ROUTINE PROCEEDINGS

[*English*]

Mr. Rodriguez: Mr. Speaker, I rise on a point of order arising from a statement made in the House this afternoon by the Minister of Consumer and Corporate Affairs in reply to a question of mine, in which he said that I had made unfounded statements with respect to impropriety on the part of automobile manufacturers in keeping their extended warranties secret.

The minister full well knows, or ought to know, that his department's regional offices have been advised to proceed cautiously in handling consumer complaints and inquiries about the auto makers' secret programs so that "good company-customer relations" will not be upset. Furthermore, the statement by spokesmen for GM, Ford and Chrysler was widely reported on Monday, July 21—

● (1500)

Mr. Speaker: Order, please. With all due respect to the hon. member, I suggest he has a very clear point of disagreement with the minister, or the contents of the minister's remarks, which is a matter for debate. Quite clearly, in view of Citation 113 of Beauchesne's, it is a subject which falls outside the narrow confines of a point or question of privilege.

Mr. Jones: Mr. Speaker, I rise on a question of privilege. I was unable to give notice as I just received this communication dated today, July 30, 1975, from Germain Laporte, Special Assistant in the office of the Minister of Manpower and Immigration. I think I must lay out the background of this in order to indicate to you quite clearly what happened.

I submitted my list of nominees for the constituency advisory group under the Local Initiatives Program on July 9. Today I received this letter and I should like to read it so it will be on the record. It is addressed to myself, and states:

> I wish to thank you for your list of nominees for the Constituency Advisory Group under the 1975-76 Local Initiatives Program.
>
> Unfortunately this list does not appear to adequately represent the Francophone sector of your constituency.
>
> Would it be possible for you to forward at your earliest convenience further nominees, representative of this particular group?

Some hon. Members: Hear, hear!

An hon. Member: You had no Liberals on it.

Mr. Jones: Mr. Speaker, my question of privilege, I submit, arises from the fact this is an outright interference by a special assistant, who is not an elected representative or a minister of the Crown, with my privileges and rights

as a member of parliament, and my proper function as a member.

Some hon. Members: Oh, oh!

Mr. Jones: There were Francophones in this group.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have the greatest respect for the rights of the hon. member who has just raised this question, as well as of other hon. members, to function freely without interference. The letter the hon. member has put forward, on the face of it at least, seems to me to be no more than correspondence with the hon. member containing an invitation or a suggestion. It may go further, but if the hon. member has any disagreement in that regard he may want to take this up as a matter of discussion with the minister or other officials of his department, other ministers, or the Prime Minister.

However, in order to fall within the category of a question of privilege there would have to be some indication of a step taken which in fact constituted a direct interference with the right of the hon. member to function as a member of parliament. In fact what this seems to be is correspondence about a suggestion of the member, indicating it ought to be discussed further.

The hon. member's right to speak in this House, to function as a member, and to make suggestions has certainly not been restrained or interfered with, but what reception is given might be a matter of disagreement by the hon. member, as it has been by several other members. With all due respect to the hon. member, I do not think this is the right forum or the right guise, under the title of a question of privilege, to get into a debate as to whether the list contained proper and adequate representation of his own constituency or the texture of it at this time. Unless the member is able to show there has been in fact a restriction or hindrance of his right to function as a member, to make suggestions, and to have a part in the decision-making process, I would have to indicate that there is no question of privilege.

Mr. Jones: Mr. Speaker, perhaps I might be permitted to continue. This did not begin just this month. Last fall when I submitted a similar list I got the same response, only it was verbal.

Some hon. Members: Oh, oh!

Mr. Jones: Not only did it come from the minister's office, the Moncton Liberal Association laid a complaint in the local newspaper, unfounded. I am concerned that there is political patronage here.

Some hon. Members: Oh, oh!

An hon. Member: Now he will be called to order.

Some hon. Members: Oh, oh!

Mr. Lang: Mr. Speaker, I wonder if, in the absence of the minister and his acting minister, I might just simply say for the record that this particular kind of committee is an organization which the minister, in his discretion, thought would be useful and thought could be created

across the country. Of course the minister still retains a certain amount of responsibility for seeing that these committees are in fact useful in the way in which they are formed.

An hon. Member: Tell the executive assistants.

Mr. Lang: I am sure the minister would have no difficulty in taking the responsibility for drawing to the attention of the hon. member for Moncton that the committee will only be useful if it is in fact properly constituted.

Some hon. Members: Oh, oh!

Mr. Whelan: Mr. Speaker, I rise on the point of order in response to—

Mr. Coates: Mr. Speaker, I am rising on the same question of privilege, and the minister is rising on a point of order, and a point of order has never proceeded or taken precedence over a question of privilege in all the 18 years I have been here.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sorry, but I was unable to hear the hon. member for Cumberland-Colchester North.

Mr. Coates: Mr. Speaker, I was rising on a matter associated with the question of privilege raised by the hon. member for Moncton and the comments by the Minister of Justice. I rose on the same question of privilege when the Minister of Agriculture stood up on a point of order. In the 18 years I have been in this Chamber a point of order has never preceded or interfered with a question of privilege which was in the process of being discussed in this House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Cumberland-Colchester North will have sensed that I had initially rejected the representations of the hon. member for Moncton as a question of privilege, unless there was some clear and distinct interference with his rights. The minister made a comment on this and I did not think it needed a further decision on my part to indicate that, in the final analysis, the hon. member for Moncton was not putting a motion in respect of the proposed question of privilege.

Furthermore, I had some difficulty in that the minister was on his feet prior to that point, and I went back to him by way of recognition. If the hon. member for Cumberland-Colchester North wants to contribute before I do finalize the question put by the hon. member for Moncton, I would be glad to see him now.

Mr. Coates: Mr. Speaker, probably I would not have intervened in this debate except for the fact that, after you had ruled, the Minister of Justice got up and put in his two cents, which is just exactly what his comments are worth, as far as I am concerned.

There is no question but that the rights of a member of parliament in this House are being interfered with when the Minister of Manpower and Immigration writes a letter requesting that a member place before him a list containing certain people within the constituency he has been elected to represent by the majority of the people. Whether the people in government authority do or do not like the way he was elected, the member is still here because he represents his constituency, having been elected by a majority of the people.

In this case the minister has written the hon. member requesting the member to provide a list of nominees in his constituency he feels would assist the Minister of Manpower and Immigration and the people involved with the Local Initiatives Program to produce recommendations, which are not final in any way, in order that the minister and these people in the Local Initiatives Program can make a decision on which projects should be undertaken in that constituency. Following that, in this case some executive assistant, special assistant or somebody else in that department, had the unmitigated gall to write the hon. member saying in effect that he did not like the way the member had made up the list of people, which in the first place he was asked to provide. I think this is getting to be a bit too much. I think it is a rank interference with the rights and privileges of a member of parliament, and I think that you, Sir, should provide some protection.

Mr. Speaker: Order, please. If there are no other hon. members who wish to speak to the matter, let me make the situation perfectly clear. The hon. member for Moncton has raised a grievance about the administration of a program, and about whether a decision of that sort ought to be handled by the minister or through representations by any hon. member of the House. That may in fact be a legitimate criticism or grievance on the part of the hon. member.

What I am concerned with here is not whether there is a disagreement about the administration of a program of this nature, the texture of the program, or the manner in which the minister deals with members in receiving representations. What I am concerned with here is whether this in fact constitutes a question of privilege within the very narrow confines of the rules of this House, which have recognized in the past, and I think quite rightly so, that only specialized classes of problems come within the confines of a question of privilege. I find that this matter does not. In any case, no motion has been put forward suggesting action by the Chair. Again I say that what may be a very legitimate grievance can be taken up in a number of ways.

● (1510)

Mr. Whelan: Mr. Speaker, I rise on a point of order because of the question of the hon. member for St. John's East. I do not want to leave the impression with the House—and I hope he was not suggesting either—that the Farm Products Marketing Council was acting beyond the jurisdiction vested in it by the legislation. The person on the board he mentioned says she is optimistic about the new job she is taking on and that there will be public hearings, and so on. She is not as pessimistic as the hon. member tries to make out she is.

Mr. MacKay: Mr. Speaker, I do not intend to take up much time of the House with my question of privilege of

which I have given you notice. It arose out of the question yesterday which I submitted was perfectly proper in the light of what happened in the city of Hamilton. I think it was very pertinent.

My question of privilege relates to an exchange in the House yesterday, as Your Honour is well aware, between myself and the Minister of Labour, as recorded in *Hansard* at pages 8021 and 8026. During that exchange the minister made some rather serious accusations about myself which I feel I cannot let go unanswered, and which I believe constitute a legitimate question of privilege. Specifically, Mr. Speaker, as recorded at page 8026 of *Hansard*, the minister accused me of "indecency in casting innuendoes" and of what he terms "disgraceful conduct". Those are serious charges and ones for which I am entitled, I submit, to receive rather more specific allegations or a retraction from the minister.

The minister made these imputations against me in specific reference to questions which were raised during this session by myself and others in respect of the status of two federal appointees to the Hamilton Harbour Commission—Messrs. Lanza and Hickey. I have reviewed the issues of *Hansard* on this matter and I have no hesitation, Mr. Speaker, in challenging the Minister of Labour as I did yesterday to produce one reference to back up the kind of McCarthy-like charges he made against me yesterday.

At the same time, Mr. Speaker, I would suggest to the Minister of Labour, and I feel compelled to do this, that if he feels aggrieved in this matter over statements made against Messrs. Lanza and Hickey, he might direct his action against the Minister of Transport, for the most serious or damning statements about these gentlemen came not from this side of the House but from the Minister of Transport. I would refer the Minister of Labour in particular to page 3622 of *Hansard* for February 27, 1975, and this statement by his colleague, the Minister of Transport:

> At that time—

The minister was referring to the time at which he declined to reappoint Messrs. Lanza and Hickey to the Commission.

> —no trial had taken place—there had been no inquiry but there was suspicion and, since those jobs are given at the discretion of cabinet, nothing binds us to nominating someone who might be suspected of not, say, meeting some ethical standards . . .

Those references to suspicions about ethical standards are not mine; they are those of the Minister of Transport.

In summary, Mr. Speaker, I believe it is in order for me to raise as a matter of privilege the completely unfounded charges which the Minister of Labour made yesterday against my personal conduct as a member of this House. That was untrue, unkind, and uncalled for, and I believe it might even have been rude. I demand that the minister either make a specific charge against me or withdraw his own version of McCarthyism from the record.

Upon his failure to do so—and I hope the hon. gentleman will do this—I would move that the remarks of the hon. member contained at page 8026 of *Hansard* for July 29, 1975, be referred to the Standing Committee on Privileges and Elections for consideration and report back to the House in due course.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Well, Mr. Speaker, I have no intention of withdrawing my remarks. In the first place I do not feel you will find too many citations in Beauchesne which would indicate that remarks of that nature require withdrawal. It was an opinion of mine expressed in this House about the conduct of the member, which I think is fully fortified and justified if one looks at *Hansard*.

The fact of the matter is that while a trial was in process the hon. member endeavoured, in a McCarthy-like fashion, to raise matters which were going on while the trial was in process. It does not take many learned or fair people in this House, or among the general public, to indicate just how unfair that is.

Of course the reason that no serious objection was taken at the time the hon. member did what I consider to be a deplorable act was that, knowing the manner and the conduct the hon. member resorted to in this particular instance, he probably would have gone right outside to the television cameras and called "cover-up". So I resisted raising that particular area. If the hon. member was serious in raising questions yesterday about the harbour matter and was not interested really in a partisan attack, raising all sorts of innuendoes, he might be prepared to justify to this House why he raised extraneous matters such as the SIU and allegations about reticence to hold inquiries. I think that extraneous matter certainly belies the good intent of the hon. member as expressed today.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The exchange yesterday between the hon. member for Central Nova and the Minister of Labour, both in the question period and in what I indicated yesterday was a non-point of order and simply an expansion of their disagreement during the question period, has today expanded into a proposed question of privilege. I think hon. members will agree that it simply is a further development of the basic disagreement between them.

The only question which remains is that raised by the hon. member for Central Nova concerning the language used yesterday by the Minister of Labour, indicating that what I understood to be remarks made by the hon. member, always in the House and always recorded in *Hansard*, were indecent in their innuendo and disgraceful in the conduct of the hon. member. That is an opinion that has been expressed in this House openly by the minister. The hon. member for Central Nova has taken offence at this. This is the chamber for disagreements. That is a classic case of one of them. It would have to be otherwise, in my opinion, in order to found a *prima facie* case of privilege, namely, that the language of the Minister of Labour was unparliamentary.

In examining the precedents I am unable to find that the expressions he has used in the way he has used them are in any way unparliamentary. They simply contain and inflame the disagreement between the two hon. members. If we are to adjourn for a prolonged period later this day, or some day soon, perhaps it will be a pity, because the

disagreement is becoming quite entertaining. Nevertheless it is still a disagreement and not a question of privilege.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. There is a motion on the order paper standing in the name of the President of the Privy Council. There is of course provision on today's order paper for both questions and notices of motions for the production of papers. May I take it as agreed that the motion which stands in the name of the President of the Privy Council will be transferred to the subject matter of orders of the day, which would permit taking all questions on the order paper and notices of motion, and then the commencement of the debate? Is that agreed?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,209, 2,553, 2,594, 2,676, 2,721 and 2,893.

Mr. Speaker, if question No. 1,204 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

WEST COAST SHIP TIE-UP

Question No. 2,209—**Mr. Korchinski:**

1. With reference to the recent West Coast tie-up, what was the maximum number of ships waiting to be loaded?

2. What was the aggregate number of idle days accumulated by all ships?

3. How many of these ships were destined to load grain?

4. What was the total amount of demurrage charges levied?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the National Harbours Board and the Canadian Wheat Board as follows: 1. 100.

2. 1,975.

3. 52.

4. The Canadian Wheat Board only pays demurrage on the receipt of a demurrage claim and where it feels it has a legal liability. Demurrage claims are frequently not received by the Board nor is settlement reached on claims for many months after demurrage was incurred by delays in the loading of vessels. Accordingly it is not possible at this time to determine what the total amount of demurrage claims will be as a result of the recent West Coast tie-up.

[Mr. Speaker.]

DAMAGE TO DOCK AT STEPHENVILLE

Question No. 2,553—**Mr. Marshall:**

1. Does the Minister of Transport expect to hear from the Department of Public Works on the extent of damage to the dock in Stephenville and, if so (a) on what date (b) on what date will repairs be carried out?

2. Are there any funds included in the estimates for the 500 foot dock extension in Stephenville and, if not, would the Minister consider including such funds in the next Supplementary Estimates?

3. Is the Canadian Hydrographic Service in the process of publishing charts of the channel and turning basin in the Port of Stephenville and (a) if so, on what date will they be ready (b) if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Transport and the Environment as follows: 1. The Ministry has received a report from the Department of Public Works. Public Works has called tenders, for the repairs, which will close June 25, 1975.

2. No. The inclusion of funds in the next Supplementary Estimates is being considered.

3. Yes. (a) April 30, 1976. (b) Not applicable.

CBC—PURCHASES OF AMERICAN, CANADIAN AND FOREIGN FILMS

Question No. 2,594—**Mr. Reynolds:**

For each year 1971 to 1974, how much money was spent by CBC in the purchase of (a) American films (b) Canadian films (c) foreign films for showing on Canadian television?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: CBC keeps an accurate inventory control of film purchased from all sources, but records have not been kept in such a way as to make it possible to extract readily and without an inordinate amount of work, time and cost the information called for in the manner requested. When rights are purchased by CBC for film from any source, payment for these rights may be made in a variety of ways: by equal monthly instalments, by payment immediately after broadcast, by payment of a percentage of the total price on first telecast, second telecast and third telecast, etc. Since the payments for the purchase of a quantity of feature films, for example, might be spread over a period of years, with a decreasing value in terms of programming and consequently a decreasing percentage in payments, the total value of the purchase agreement would not be correctly reported if its total value were deducted in one fiscal or calendar year. In addition, many packages of film contain films of foreign origin. Given the variety of methods of payment it is a very long and costly process to extract exact figures which distinguish which monies were spent on American as distinguished from other foreign film. Since 1974, however, in the case of Canadian film, a reporting system has been set up within CBC to provide information to its management on expenditures by CBC in the private sector of the Canadian film industry. The first statement to come from this system indicates that during the period January to December 1974 CBC spent in excess of $17.5 million in the private Canadian program production industry. Of this total amount about $9.75 million was spent in acquiring the right to

broadcast films produced in Canada. Over $7.5 million was spent with private industry to pay for productions, co-productions, and production services such as processing and printing, directors and producers, film editors, technicians and sound services.

EQUAL OPPORTUNITIES FOR WOMEN

Question No. 2,676—**Mr. Robinson:**

Are banks and insurance companies considered by the government to be the worst offenders when it comes to equal opportunity for women and, if so, what criteria was used to determine this?

Hon. Marc Lalonde (Minister of National Health and Welfare): The government has never stated that the banks and insurance companies were considered the worst offenders when it comes to equal opportunity for women.

NUCLEAR INFORMATION AND EXCHANGE—ARGENTINA/INDIA

Question No. 2,721—**Mr. Francis:**

Does the government have any knowledge of an agreement between Argentina, a country to whom Canada proposes to sell a CANDU reactor, and India on the exchange of nuclear information and technology?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The government is aware of agreements between India and Argentina on nuclear cooperation, but inasmuch as we have suspended our nuclear aid to India, and that any nuclear supplies to Argentina will be subject to the strictest of safeguards, the government does not anticipate that independent third party transfer of Canadian supplied nuclear material could take place between Argentina and India.

MEDIUM SECURITY PENAL INSTITUTION IN STONY MOUNTAIN, MANITOBA

Question No. 2,893—**Mr. Masniuk:**

Does the government intend to build a new medium security penal institution in Stony Mountain, Manitoba, as was announced in the Fall of 1974 and, if so (a) on what date is it expected that construction will commence (b) on what date is it estimated that the new institution will be ready for occupancy?

Hon. Warren Allmand (Solicitor General): The government has deferred its plan to proceed with a medium security institution in Stony Mountain, Manitoba, because of a reduced rate of population growth in that locality.

* * *

QUESTION PASSED AS ORDER FOR RETURN

MINISTERS' STAFFS

Question No. 1,204—**Mr. Korchinski:**

1. In the past three years, how many employees did each Minister have on staff?

2. What are the total salaries of each Minister's staff?

Return tabled.

Summer Recess

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 44?

COPY OF CORRESPONDENCE RELATING TO ESTABLISHMENT OF MICROSYSTEMS INTERNATIONAL LTD.

Motion No. 44—**Mr. Symes:**

That an Order of the House do issue for a copy of all correspondence, minutes of meetings and terms of agreement between the government and Northern Electric concerning the establishment of Microsystems Internationl Limited.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the government could accept to produce the three agreements between the Crown and Microsystems. However, the correspondence and the minutes of meetings include confidential documents asked by non government agencies, as well as internal memoranda of the department. Consequently, I ask the hon. member for Sault Ste. Marie (Mr. Symes) to withdraw his motion. The government could then table the three agreements as soon as they are translated.

Mr. Symes: Agreed.

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

* * *

● (1520)

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

Hon. Mitchell Sharp (President of the Privy Council) moved:

That, when the House adjourns this day, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the government, when the House may meet for the purpose of dealing with any subsequent proceeding on or the giving of Royal Assent to any bill or bills that, at the time of adjournment this day, have been given third reading in this House but have not yet been given Royal Assent;

That, after giving of Royal Assent to the said bill or bills, or in the event the House does not meet for that purpose, the House shall be adjourned or shall stand adjourned, as the case may be, until October 14, 1975, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act, owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

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

Mr. G. W. Baldwin (Peace River): You will note, Mr. Speaker, that I rose slowly to my feet and looked over to my left on the assumption that this motion could be passed without debate, but now I have every reason to believe that that is not likely, and under those conditions I feel I should make some contribution.

I will start by saying that I suppose ordinary people outside the House will pause and wonder what it is that has driven a group of normally intelligent people back to the House today to seek their own permission to adjourn for two and a half months after the government has indicated that we have completed the tasks which in its opinion should be disposed of prior to that time. A simplistic answer might be that there are two or three members in the House who have been suffering from an unquenchable ambition not to leave here without an unuttered thought, an ambition which some of them were almost successful in achieving yesterday even though, in order to make sure that this was done, they had to repeat some of their thoughts several times to make certain none were forgotten.

Mr. Broadbent: Leave the Social Credit Party out of this, Jed.

Mr. Baldwin: I am sure that by this afternoon the pitcher of Baucis and Philemon will be refilled and some more thoughts will come. We are waiting for those, Madam Speaker. But that is too simplistic an answer. We may have some cause for unhappiness about being here today and some measure of resentment at the circumstances which brought it about, but it is simply not good enough to attribute the cause to what I have hinted at rather generally so far.

Let us not forget that we will be back here in precisely the same position at the end of November and in December of 1975. Let us take a look at the Order Paper. We see there Bill C-2, the so called competition bill, which has been allotted two days. Then we see the citizenship bill, no doubt a bill which will evoke some considerable debate, possibly heated debate in the House.

Then there is the Agricultural Products Co-operative Marketing Act, Bill C-21, and the stabilization bill, C-41. There is no doubt that hon. members who are on the committee which travelled west will know that that bill is sure to take a substantial amount of time and that it will be debated in a substantial way. There are a number of issues which will be raised in the debate, and I think the minister who is responsible for the bill has recognized that fact by indicating publicly that having heard some of the views presented he is prepared to see some amendments made.

Then there is Bill C-52 dealing with changes in pensions and superannuation in a number of cases, there is the bankruptcy act, Bill C-60, and the Canada Shipping Act, almost a completely new code. With all the responsibilities which the Minister of Transport (Mr. Marchand) has taken on himself for the next few months, I wonder how he will be able to prepare himself for that.

We see on the Order Paper two income tax bills. There are changes proposed with regard to medical care and, no matter on which side of that thorny issue one may stand, one cannot evade the acceptance of the fact that it will be a very difficult and controversial debate. Then there is Bill C-69, an act to amend the Unemployment Insurance Act, two omnibus Criminal Code amendments, and Bill C-72, the Human Rights Commission bill.

Hanging over all this like a spectre is the very strong possibility that the House may be debating the very serious, controversial, and difficult problem of capital punishment, all of this in a period of time when there are six opposition days and two holidays, plus such other emergencies as may arise and need to be disposed of within that period. One does not need to be a prophet to say that under those conditions we will be approaching the possibility of a Christmas recess in exactly the same spot as the one in which we find ourselves now, and in which we have been for the last few weeks.

Under those conditions I do not think it would do any harm for the House to take a brief look at what we can do. Can we avoid this? Is this inevitable? Is this the best and only way in which the House can operate to discharge its responsibilities with respect to the individual members in their own constituencies as well as their duty to the country.

The President of the Privy Council (Mr. Sharp) may well say, and I think with some justice, that the House has eaten its way through a very large number of bills, a fair amount of legislation, and some government motions. True enough, and I do not deny the minister's right to take some pride in that. But I point out through you, Madam Speaker, that these are substantially all matters of a pedestrian and housekeeping nature. The real problems, the serious, hard, difficult and deep rooted problems which this country faces, have not been dealt with to date. Although they have been the subject of discussion in the general debates such as the Speech from the Throne debate and the budget debate, they have not been the subject of any meaningful attack by the government or, to some extent, by members of the House.

There is the question of energy—people are forgetting about it now, but nobody can deny the necessity of taking steps which have to be taken to prepare for the situation which will develop in 8, 10, 12 years, or even sooner. This is our problem. We wait until the difficulty has come upon us and until we are overwhelmed by facts, and then we act too little and too late. Nothing has been done to deal with the problem with regard to energy, the replacement of sources of energy, pricing, and so on. The minister has taken some powers under a statute, but those powers do not contain the answer.

● (1520)

There is the very serious question of the rule of law and order and the extent to which people in this country have become fearful of an inability to walk the streets in safety. There are several facets of this problem, but one cannot

deny that it is very serious, and many people outside this House are deeply concerned.

There is a continuing problem of unemployment and inflation, and with regard to external affairs there has not been a meaningful debate this session. This party has tried to have such debate through the use of methods such as opposition days, but I think it is shameful that the Prime Minister (Mr. Trudeau) should go to Helsinki to participate in that glittering galaxy—to be there to make proposals, which he appears to be making today; he appears to be speaking on behalf of Canada without a prior discussion here or—that there can be a situation develop here such as was the case with the PLO without there being an opportunity for this House to have a debate though even only a debate of three or four hours, completed or concluded by a decision of the House, with the question being put. Yet there has been no meaningful debate and no decision along these lines or our foreign relations.

There is the question of the rules under which we operate in this House. Perhaps the answer to the question I first posed is that there should be changes made there. I will certainly not invite an all out debate at this time on the rules and the changes which should be made. There will be an opportunity for that this fall, but I suggest to the members of this House that we cannot go on living in this fool's paradise in this House and attempt to deal meaningfully with these problems the way we have in the past.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): There is bound to be disagreement as to the method.

Mr. Baldwin: As my hon. friend says, it is quite probable that there will be disagreement as to the method. It depends where one sits. Speaking for myself, over the course of some years I have never hesitated to say that government should be far more free and flexible in using the weapon of closure when in its opinion as a matter of political necessity it takes the hard decision that the debate has gone on long enough.

Some hon. Members: Hear, hear!

Mr. Baldwin: That places upon the opposition parties the equal responsibility of deciding to settle down and to fight strenuously and at length legislation which we think is bad or which the people of Canada, when they know about it, will object to, or when we think the people of Canada want us as their representatives to fight, resist, and try to improve legislation. That is a political decision which the opposition has to take, and having taken that decision—and it is a decision which should not be taken lightly but should be taken in the light of all the facts and circumstances of the issues involved and in light of the time—then the opposition digs its heels in and resists to the last moment, and the onus then falls upon the government. Personally speaking, I would have no hesitation in seeing the rules of closure overhauled, sharpened, made more applicable, and used. Closure should not be a dirty word, but when the government uses it, it has to be right. It has to be certain that it is on the right issue, and then ultimately the people will decide.

Having said that, I would not agree to that unless as a corollary there is the opportunity for members of this House to have restored to them many of the rights which have been pilfered and stolen by the government over the course of the last few years.

We are all private members here, except those who are in the cabinet. The members on the government side have the same responsibility as we do for ensuring that the issues of the day are debated, discussed, and brought to a vote, and I think the reason for the way we have been operating in the past—and this is one of the reasons for the frustration and the anxiety which compelled and drove members of the opposition parties to debate Bill C-66 at length as they did—was the fact that we have had no other remedy. That is the only weapon which is left to hon. members sitting in opposition to the government, and even to hon. members on the government side. In this regard I would like to see them recognized with regard to changes which will permit, encourage, and in fact even demand that members on the government side have an opportunity to bring up issues, compel the government to debate those issues, and compel the House to decide and take a vote on them.

Government members say, and this is the standard rhetoric, that they make their influence felt in caucus and the government listens to them. I have been on both sides of the House, and I know how much garbage that kind of statement is. It is a claim to which a minimum amount of credence can be attached.

Mr. Sharp: Our caucus is different.

Mr. Hopkins: You are in the wrong caucus.

Mr. Baldwin: The President of the Privy Council (Mr. Sharp) says his caucus is different. I know it is disciplined and can be brought to heel much more readily, and that the whip is used more frequently.

The case of the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) is before the committee, and I cannot comment. I am not a prophet nor the son of a prophet, but I would like to venture a considerable amount that the committtee will decide, among other things, that the parliamentary secretary had great presence and great perceptiveness; that his crystal ball was beautifully polished; that he could examine that crystal ball; listen to the debate and with marvellous anticipation come up with the legislation, and the budget bill were going to be; and that the amendments to the Income Tax Act, and the budget bill were going to be; and that he operated on that basis and not only discharged his duty but is entitled to be decorated for what he did.

Mr. Sharp: Just like one of your members.

Mr. Baldwin: That is the kind of decision which will come out of that committee, and so I reject all suggestions that members on the government side have any more influence in decision making than we do. In fact I sometimes wonder how much influence the government itself has. To a very great extent the members of the cabinet are only the surrogates of the senior civil servants who, speaking figuratively, allow them to come in here and announce decisions which the civil service has brought into effect.

There are a great many people who at one time graced the civil service who know this to be a fact. I am looking at one right now, and I know that he would like to agree with me, although he may not say so.

What we must have here for all parties on all sides of the House is the right at certain times to bring up for discussion, debate, and decision, issues which are current, controversial, and which need to be aired.

This country gives place of residence to many people, and a great many pluralistic groups live here. Their views should be reflected by an opportunity to have votes. I hope my colleague, the hon. member for St. John's East (Mr. McGrath), will have something to say later on about fishermen. I encourage him to make a speech with regard to their problems, but that is the kind of issue where there should be an opportunity for a two or three hour debate with a certainty that there will be a vote. That is a matter of working things out between the House leaders of all parties so that this may be done.

By the facts of life enough time must be allowed for the government to pursue its own policies, but if what I propose is done then the people of the country will know that vicariously through their representatives in this House their points of view are in fact being put forward, being considered, and even though they may not be accepted, at least they are getting their day in court. If that is not done, I do not really give this parliament too much hope of continuing in a meaningful way. Although I am not one of those who says parliament will vanish, its effectiveness, its usefulness, its capacity to do things for the people of this country, which is now greatly impaired, will suffer to such an extent that the present indifference of people to parliament and its institutions will be heightened. People will dismiss us as being of no use.

● (1540)

I suggest to members of the government that as they exist now—in between elections with a majority—they can become fat, sluggish, and complacent. They know they are going to get their money under the appropriations bill, that the estimates are bound to be deemed to be passed as of a certain date, that they can bring in controversial bills at the tag end of the session and, by a process of exhaustion, as with Bill C-66, the legislation will be passed.

I am looking at the Postmaster General (Mr. Mackasey) who, I am sure, agrees with me. He has been an effective debater both in opposition and in government. He knows the necessity of restoring to this House the cut and thrust of debate on current and controversial issues which need to be ventilated to show the people that we are a force to be reckoned with.

In the limited time available to us this fall there will not be too much opportunity to make changes in the rules of the House. I suggest through you, Madam Speaker, through the government, and through all members, that we must bring ourselves to some form of agreement to have these sorts of debates, coupled with an opportunity to allow the government to use closure from time to time to speed up the process.

I do not suggest agreement in advance as to allocation of time. I would resist strenuously any suggestion that if the government says it wants 60 bills passed we should agree to devote three hours to one or three hours to another. Not until a bill has been debated on second reading and/or in committee should there by any discussion as to the length of time fixed for debate. I think we are reasonable enough people, however, that if there is opportunity for the kind of debate we ought to have, enough people would agree to a reasonable limit.

Private members have a duty to perform. They represent the people of Canada with all their warts, virtues, and defects. Only by the process of meaningful reasonable debate in this House can we achieve the objective we were sent here to attain.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, the motion we are debating today is a motion to adjourn the longest continuous sitting of this House in 11 years. I wish that those of us who are going to take part in the debate could conclude that it has been a productive session that brought about real benefits for the people of Canada; unfortunately the opposite conclusion would have to be reached by anyone looking at the record.

In virtually every crucial area of public concern the government has shown its lack of direction. It has either had no policy or, where policy has been indicated in a general way, it has totally lacked detailed implementation. It has failed in the most fundamental way to live up to the mandate it was given in the election of 1974.

In that victory the Prime Minister (Mr. Trudeau) for the first time gained the support of a substantial number of average and low income Canadians on the basis of a specific program. In 1968 he went to the country as a smiling Mackenzie King who liked to dance. At that time in Canadian history he had a personality appeal. We were over the puritan stage and Canadians thought it was appropriate then for a politician to show that he enjoyed life. With this revelation the Prime Minister managed to get a lot of people to support him on the rather unsubstantial basis that a man who enjoyed life could not be all wrong. It turned out between 1968 and 1972 that he was almost all wrong.

He went into the election in 1972 not as a swinging and smiling Mackenzie King but as a retired philosopher from some university department. Yes, as an hon. member suggests, a good third year student assessing his philosophical debates with Canadians in 1972 would have concluded that they were even rubbishy as philosophy. He did not go to the people of Canada on such practical matters which he regarded as mundane, as housing, the cost of living, unemployment, and regional disparity. He used the slogan "The land is strong"; he wanted to have a dialogue with the people in 1972. The people showed him what they thought of his performance from 1968 to 1972, and what they thought of the kind of campaign that he conducted in 1972. The Liberals almost got booted out of office; they hung on only by the skin of their teeth.

In 1974, and I say this in all seriousness, the Prime Minister looked on the average person's concern for the first time in a campaign. We were on his side when he rejected the wage and price freeze policy of the Conservative Party. But I am not going to debate the merits of that now. The point is that the Prime Minister took an unequivocal position on that and told fishermen on the

east coast, workers in the industrial cities, and farmers on the prairies, "We reject that policy because we want to do something for the average Canadian". He did not bother with them in 1968 or 1972, but he did in 1974.

Before the election in 1974 he said in Vancouver, "Housing is in a state of crisis" for the average and low income Canadian, and promised that the Liberals would do something about it. He also said the Liberals would do something about Canadian ownership of natural resources, and promised that at last 50 per cent of new investment in the resource sector would be Canadian.

He then got into transportation policy and said that in terms of interurban transportation Canadian cities were in a mess—after about 20 years of Liberal government. He talked about transportation needs as a continental problem, and of redressing the legitimate grievances of the Atlantic provinces and the prairies in regard to the freight rate system. He spoke directly to the ordinary people of Canada and said, "If you elect the Liberal Party we will do something about the transportation system".

Just name the issue, Madam Speaker, and we can document from the Prime Minister's campaign speeches in 1974 the specific commitments he made. I have listed some of the major ones—housing, transportation, foreign ownership and, related to that, job creation and so on, in a Canadian owned economy. Then, preeminently came the question of inflation and unemployment. He said that the Liberals would really do something for ordinary Canadians. It is a record that we now have to assess. He made no such promise in 1968; he just went on the superficial image that he and his party had professionally packaged. In 1972 he attempted to philosophize. In 1974 he came on as addressing himself to the concerns of ordinary people. It is to his record in this field we have to address ourselves, and it is with this in mind we must assess the work of the present session.

● (1550)

What has it done, that marvelous party which promised to improved conditions for the average Canadian? I will tell you, Madam Speaker. This has probably been the most reactionary government we have seen since the Second World War. Indeed, it is probably the most reactionary government of any country in the western world.

I invite the smirking and smiling Liberal backbenchers across the way to assess with some degree of dispassionate honesty the record of the government which was elected to meet the needs of ordinary Canadians. Who has profited from its incomes policy? Has there been a redistribution of income in favour of the poor, in favour of those with average incomes? Who has benefitted from the economic independence program? Has any move been made in this field? Who has benefitted from the housing program? These questions are the real test.

What has the government done in the broad constitutional sphere of federal-provincial relations? Under the Prime Minister we have seen the introduction of the worst set of policies since the Second World War. Unilateral and arbitrary measures have been imposed infringing upon provincial areas of responsibility and undermining the relationship between the federal government and the provinces to an extent not previously known, at least in the past decade. I hear an hon. member asking me to be specific. I will oblige him. I refer, first of all, to what appeared in last year's budget—the resource policy of the federal government which was opposed by every province in Canada.

Mr. Breau: Not true. It was not opposed in every province.

Mr. Broadbent: Then there was the budget of most recent date which undermined the national standard of medicare and hospitalization which had been established in recent decades. Again the government took on virtually every province in the country, except the wealthiest—they are interested, perhaps, in taking over the financing of health and medicare programs provided, of course, that the federal government agrees to transfer some taxation points. As I say, only the wealthiest provinces are interested because they stand to gain. But every poor province in Canada—and that means many poor Canadians—will suffer because of the position the federal government has taken.

Mr. Breau: Not true.

Mr. Broadbent: There is the disruption of medicare, unilaterally imposed, that disruption of national standards by the government opposite—

Mr. Breau: There are poor Canadians in Oshawa.

Mr. Broadbent: The hon. member says I live in Oshawa. Of course I live in Oshawa, and Oshawa happens to be in Ontario which is a wealthy province. But I, as a member of a socialist party, am concerned about the province from which the hon. member who interrupted me comes, a province which is a lot less wealthy.

Mr. Breau: The hon. member did not understand my interjection. I said he should not make the mistaken relationship of calling people in poor provinces poor people. I just don't like that.

Mr. Broadbent: I did not realize the hon. member was so sensitive. I do not believe it does a service to a poor Canadian to say he is not a poor Canadian. The party of which I am a member is interested in dealing with that problem and changing the situation, whereas the government which the hon. member supports is a government which will increase poverty in the province from which he comes.

The Acting Speaker (Mrs. Morin): If hon. members on the government side of the House wish to participate in the debate they will be given an opportunity.

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to move on now from the marvelous job the government has done in terms of federal-provincial relationships and consider what this means in terms of increasing regional disparities within the country as opposed to decreasing them. In particular I should like to deal with the economic policies emanating from the government since we were called into session last fall.

Two budgets have been produced, one last fall and one just a month ago. What did these two budgets accomplish? Did they have the effect of reducing inequalities? No. The reverse was the case. In the budget of last fall further tax concessions were made for the benefit of the corporate sector. This amounted to a redistribution of income, taking income from the ordinary Canadian and adding it to the corporate sector. Further, special tax concessions were allowed to upper income Canadians who wished to invest in the apartment construction business. This was all very well for people with disposable income for investment. They would gain advantage both ways; they would own the building later on and, in the meantime, they could collect rent, and the money they invested was taken right off the top of their taxable income.

As I say, the budget of last fall did nothing to reduce inequalities in Canada. On the contrary, it increased them. The budget which the Minister of Finance (Mr. Turner) brought down over a month ago, did exactly the same. I have already mentioned the regressive step taken in the field of medicare and hospitalization. As hon. members are aware, the excise tax was discussed at some length in the debate which has quite properly occupied us for some weeks. This, as many of us have pointed out, is another regressive measure. But I would draw attention now to yet another regressive measure having to do with the funding of the unemployment insurance fund.

Instead of maintaining the principle that the people of Canada, through general revenue, should be responsible for the unemployment insurance fund since it is the government which is ultimately responsible for unemployment, where the level exceeds 3 per cent or 4 per cent, the government having, ultimately, control over monetary and fiscal policy, we find that a new floor level has now been introduced—the level at which the taxpayer will begin to make contributions. Coincidentally, of course, this means no call will be made on general revenue until unemployment reaches certain levels. This year it would have been 5.3 per cent; next year it will be in the region of 6 per cent, and the year after that it may be in the region of 7 per cent.

This means that the average man or woman working in Canada faces a substantial increase in premiums to finance the unemployment insurance scheme. Instead of funds coming out of general revenue which is based on income tax, a relatively progressive tax, and corporation taxes, workers will be called upon to finance their own provision for unemployment although the government, and therefore the community as a whole, should be held generally responsible.

In the resource field the Prime Minister promised that the government would do something about increasing Canadian ownership. In one of his election speeches he declared that 50 per cent Canadian ownership would be mandatory for all new investment in the resource sector. That is great talk at election time. A lot of us, though, were cynical about the depth of the Liberal commitment to following it up, and as soon as we say the implementation of phase II of the Foreign Investment Review Act we found that the greatest justification for our skepticism. It became abundantly clear when phase II was revealed that the government not only was not concerned about dealing with the existing problem of foreign ownership in Canada, but was also unconcerned about controlling new foreign investment in this country.

● (1600)

The Minister of Industry, Trade and Commerce (Mr. Gillespie) in one of his more candid admissions before the television cameras acknowledged that he did not expect any real decline in foreign investment in the economy. What an admission from a cabinet minister in a party that just a year ago made a commitment to the people of Canada that it would do something serious about the problems of foreign ownership!

What about housing? A crisis was described by the Prime Minister three or four days before the election last year. The crisis has gotten worse since that time, not better. If you look at the housing starts in January, February, March and April of this year, you see that every month there was a substantial decline compared to the year before. With the election of the Liberals last July, the party that said they would do something about housing, rather than the crisis being mitigated, it has been exacerbated. The housing problem has gotten worse, not better.

Mr. Béchard: Not because of the Liberals.

Mr. Broadbent: Who else is governing? Is it the Conservative Party that is governing?

Mr. Béchard: Look at the record.

Mr. Broadbent: It is the Liberal Party that is governing, but they are not responsible?

Mr. Béchard: That is not what I said.

Mr. Broadbent: All that we have had with regard to housing is a repetition of the policies that failed before the 1974 election. Before that election we had a bald headed minister responsible for housing. The Prime Minister changed that. Now we have a minister with some hair. Maybe the Prime Minister was acting on the assumption that a little hair means a little brains and that that would result in a change in policy. However, we did not get that. We got a minister from Toronto who is duplicating every error made by the previous minister from Vancouver. Instead of improving, the housing situation has become worse.

We then come to transportation. That is a real gem. In one of those rare moments of candour and insight shown by a cabinet minister, the Minister of Transport (Mr. Marchand) said that transportation policy is in a mess. That is what he said prior to the 1974 election campaign. It is now over a year later, and transportation policy is still in a mess.

When members of the Conservative, NDP, and Social Credit parties asked the minister what he was going to do about freight rates, the failure in providing boxcars, and the needs of the people in our cities in terms of an urban transit system, the minister kept saying that the policy was in a mess. We had to agree. He repeatedly asked us to have a little patience as the government would be presenting a grand policy. We waited and waited. Finally we got a general statement of policy. The guidelines that were in

the policy we waited for were absurd and contradictory. I will not go into great detail. We got another statement which was equivalent to the election platitudes that we got prior to the election of last July. Not one bill of substance with regard to a transportation policy has been brought before this House since the election.

I have referred to the problems with regard to housing, foreign ownership, and transportation. I do not intend to be too much longer. I am sure the Liberals will not be disappointed to hear that. Before saying something about the general economic policy, however, I cannot ignore two other issues which have been of concern to Canadians and this parliament, and which the government has not dealt with in an adequate way.

The first is the use to be made of the Canadian development of nuclear technology. I refer to the CANDU project. If there has been a solid and persistent bungling of an issue, it has been the government's policy with regard to CANDU. The government is still committed to selling nuclear reactors to Argentina and South Korea, two of the most unstable and reactionary governments in the world.

I could elaborate with respect to members of the Conservative Party who followed that issue—and I give them credit—with immense care, as well as certain of my colleagues, notably the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and the hon. member for Greenwood (Mr. Brewin). I could document in two hours of speeches the bungling and contradictory nature of the government's CANDU policy which will result in our providing the capacity to develop nuclear weapons to the governments of Argentina and South Korea. Surely that is an act of self-condemnation about which it is hard to say anything more.

There is another issue which is of concern to fishermen on the east coast, those from Newfoundland in particular, as well as those on the west coast. I refer to the jurisdictional authority that we are prepared to assume over our coastal waters. We believe in negotiation, but this has been going on for so many years that it is well beyond the time for talk. Our party has argued that the government should unilaterally assert jurisdictional authority over our coastal waters up to 200 miles, or to the continental shelf, whichever is farther. Unless the government begins quickly to move in that direction, and it may be too late already, we are going to lose the invaluable fishing stock off our two coasts, particularly the east coast. Again the government vacillates, does not act, and promises further conferences.

Whether we are talking about housing, transportation policies, Canadian ownership of our resources, fishermen on our east or west coasts or, sensible world-wide use of technology developed in Canada in a nuclear age, the government has been a colossal failure in its first year in office.

I want to conclude my remarks by saying something about the very serious state of the Canadian economy and the equally serious failure of the government to deal with the situation. In July of last year the government was given a mandate on the economic issue above all others, if we are to single out one matter. It took the position that it, and it alone, could deal with the twin problems of inflation and unemployment. If a survey were taken of Canadians from coast to coast asking on what issue they voted in the government, my guess is that it would be that twin issue they cited most often.

● (1610)

Let us consider this policy matter and test the government to see whether it has lived up to its mandate, namely, general economic policy. How well has it done in the year since it was elected? In June, 1974, there was 4.9 per cent of the labour force unemployed. One year later, after the leadership and the dynamic policy innovations of the Liberal government, did unemployment drop below the 4.9 level of 1974? No, Mr. Speaker; it rose to 7.2 per cent. Unemployment went up after the election of this majority government, not down.

In actual numbers, which are more meaningful in terms of real life experience, unemployment moved from 465,000 in June, 1974, to 725,000. This number comprises men and women, young and old, in every part of the country. In other words, after one year of this government there was an increase of some 260,000 Canadians on the unemployment rolls.

If we look at the inflation picture the situation is just as dismal and the failure of the government just as great. In June, 1974, the consumer price index stood at 166.7. By June of this year it was 184. As a percentage this works out to 10.4 per cent higher than it was a year ago.

So much for the Liberal's success in coping with inflation. The figures I have just given do not, of course, include the ten cents a gallon excise tax. Nor do they include the effects of the $1.50 a barrel increase in the price of crude oil which the government introduced in the last budget, or the increase in the price of natural gas. All of these added together—and I say this with care—it has been calculated by some responsible experts in and out of political parties, will probably add another 2 per cent or 3 per cent to the cost of living figures in the coming months. In other words, the government has been a failure in dealing with the major issue on which it was elected in the 1974 campaign, namely, the twin problems of inflation and unemployment.

What about the future general economic picture, Mr. Speaker? Unfortunately, the record of increasing unemployment and inflation since June of 1974 is not going to level out and remain constant; it is going to increase in both dimensions. Let me refer my Liberal colleagues opposite to the results of a recent study put out by Wood Gundy, hardly a noted socialist company. I ask the members of the government to consider their forecast. They say that for this year inflation and unemployment will both get worse. They forecast a rate of some 8 per cent unemployment for the end of this year. That, I suggest, is a conservative estimate; certainly it is from a conservative source. So the trend is an unhealthy one, one that is not good for Canadians.

Rather than introducing programs to reduce unemployment, the most recent budget, for reasons that I indicated at the time and which I will not repeat now, and which other commentators advanced, will increase unemployment. The forecast of Wood Gundy regarding inflation is just as negative. In June the consumer price index stood, as I said, at 184. They forecast that by the end of this year

it will go up about another five points, surely an undesirable situation.

I will conclude on that pessimistic note. We have ended the longest continuous part of a session since 1964. I think all members on both sides of the House have worked hard in terms of their individual contributions. But let me repeat what I said at the outset. In view of the commitment of the Prime Minister and his government in July of 1974 to the average and working people of Canada, one he did not make in 1972 or 1968, in terms of our legislative output here, this last year must be considered to be a very substantial failure, one that affects in a negative way the real life experience of average and low income Canadians from coast to coast. It is this kind of experience that I hope the government will reflect upon, so that when we come back in the fall we can begin to do something of substance, not of rhetoric, in terms of meeting the housing needs, the transportation needs, and the economic independence needs of the people of Canada.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I merely wish to make a few points concerning the adjournment motion and take this opportunity to say how ridiculous is the situation on this 30th of July as I rise to speak. This is to remind hon. members of the House that for years we have been urging Parliament and the government to alter the regulations in this connection, in order to have a more serious framework than at the present time. When fully conscious adults who represent the élite of the country are having a good time engaged in a war of attrition to pass a legislation, Mr. Speaker, I think it lacks seriousness.

Who is to blame? The opposition? The government? Of course the government members say: "Well, it is your fault, you should end the debate." And we say: "Well it is your fault, you should withdraw that bill." And so we manage to sit till July 30. I was first elected in 1968, that is seven years ago. I think this is the third time we have been sitting so late in the summer.

● (1620)

And yet, Mr. Speaker, this problem could be solved quite easily. Why not simply set opening and closing dates? It would be so simple to say that the session will open on the second Monday of September and close on the Friday preceeding June 24. Then, it would be possible to plan and co-ordinate our parliamentary work. This, of course, would make it mandatory for the government to arrange its legislative program in a better fashion. And within the set dates we would really accomplish the work the government has deemed should be completed during the year, or session.

The government could then easily solve all kinds of small problems by advising us in advance of its intentions. For instance, we could obtain during the intersession a copy of the proposed bills; the order in which they would be debated could also be given. Consequently, we would have more time for ourselves as representatives to consider these bills, do our research and therefore, introduce in this House more concrete, more specific suggestions.

I think that could be done easily, and we would then be looked upon as people who are a little more serious and know what they have to do and do their job in a very conscientious way. I shall not linger over all the inconveniences of being in the dark about the opening and closing dates of a session but may I be permitted nevertheless, Mr. Speaker, to say that impossibility to know when we are going to start and when we are going to finish disturbs the family life of everyone of us, prevents us from planning our work during the intersession and consequently results in inconveniences that could be avoided pretty easily. That is why I take the opportunity of this debate on the motion to adjourn to advise the government to come up with a change of rules in that respect.

I would also like to echo the two hon. members who spoke before me and make a few remarks about the business that was submitted to us for consideration during this session. Of course, I will be told that it is easy for a member of the opposition to criticize, that is his role, he must do it and consequently we are talking for nothing. Mr. Speaker, I say that is wrong. I think we are trying to really reflect public opinion and when we opposed even fiercely the last bill which was passed yesterday it was because we knew quite well that people did not want that unwarranted increase in the price of gas with that excise tax.

We saw since the beginning of this session how different it was. We saw once again the tremendous difference there was between a majority government and a minority government. It is all nice to say that a majority government brings with it instability and everything else but a minority government showed, for example, that it was for the people. If Bill C-66 had been introduced in 1972 or 1973, we know quite well that it would not have been passed. That was the advantage of having a minority government which had better chances of being on the taxpayer's side. We saw during this session that the government, under the present Prime Minister, had returned to its attitude of complacency, not to say of arrogance, to simply impose things that nobody wants and forget others that should not be forgotten.

For example, the legislation that we were eager to have before us was the old age security legislation, since during the last electoral campaign, politicians were travelling around, and especially in Quebec, voicing the slogan "Old age pension at 60". We were thus expecting, after all the representations and the efforts which had been made, particularly by the members of the party I represent, that they would bring in a piece of legislation on old age security which would be truly adequate and would meet the needs of the population.

● (1630)

What was introduced, Mr. Speaker? One must admit there is a small improvement, but it is so slight that one can barely speak of an improvement since our suggestions were not even included in the bill. First of all, pensionable age should have been lowered to 60: that would have solved the problem. Secondly, it was to be granted merely to the spouses of those aged 65 who needed it. We agree with that, but then we noticed, which we pointed out to the House, that the case had been overlooked where the person dies. That is normal, natural: it happens. Whoever suddenly becomes a widower or a widow, no matter, will lose the pension. That seems obvious.

Let us take the case of a lady of 62 whose husband is 70; she would be entitled to the pension and the income supplement, because they have no other income. Consequently, they would get some $400 a month but because her husband is going to die and the wife will be only 62, she will lose what she was entitled to. It is nonsense. I think that, when something as simple, as obvious as that is underlined, the Minister of National Health and Welfare should understand it and amend the act accordingly. We are going to run into huge difficulties. As my hon. colleague from Bellechasse (Mr. Lambert) said, what is going to happen? That 62 year old widow will still have to rely on the welfare benefits to eke out a living, whereas everything could be solved easily. But maybe she will solve her case in a way that is almost suggested in that bill by simply shacking up, as they say. Then she will be entitled to her pension.

It would be so easy to correct all that. Of course, they will always say that inflation should be avoided these days, and therefore, expenses have to be cut down, not increased. Mr. Speaker, we have never accepted that argument and we shall never accept it, for if the slightest attention were paid to the solutions we are suggesting on the economic and financial points of view, we are sure that we would really be fighting inflation. But as long as we have no true solutions, no basic solutions, we shall be plagued with the cancer of inflation, we shall be left with a government that will indulge in stop-gap, temporary solutions, whereas the basic problem is a crucial one.

But the government will simply answer us that if unemployemnt keeps rising, if inflation goes on spiralling, if prices keep soaring, there is nothing they can do because it is a world-wide phenomenon. We have heard that for months, especially during the electoral campaign last year, and we still hear it.

Mr. Speaker, as I said, I shall never believe that we in Canada are not able to produce everything we need. And if it were only a matter of money, let us release the funds we need to assist production and meet the needs of all Canadian citizens. It is a basic principle, which should not be questioned. And no one could seriously answer: "Well, it is not our fault, the fault lies with the United States and Europe".

We are now faced with surpluses of powdered milk. Milk producers are being told that they will have to pay 45 per cent more a hundred weight because we have to keep up prices on account of the European Common Market. There again, Mr. Speaker, I say that it is a question of bad reasoning and bad judgment, because absolutely nothing should prevent Canadian dairy farmers from producing milk at a cost that would actually result in reasonable profits and that would at the same time be favourable to all consumers. And if we tried to arrive at a certain equation or balance between consumption and production, such problems would be nonexistent.

But when our government still keeps our doors wide open to commodities we can readily produce ourselves in surplus quantities, I say that if the government pursues such a course of action, nothing will be resolved. Millions of pounds of cheese are entering Canada, whereas are own cheese producers are penalized because they overproduce. It's absolutely illogical. Why continue to hang on to such policies when everyone knows they are bad?

That being so, Mr. Speaker, I say we must stop producing and start importing every commodity that costs less than what we produce here. That being so, we will sit down, relax and wait for others to come and feed, dress and house us. That is bad reasoning. The only solution is that if we have the potential and the capacity to produce here what we need, we just have to make it financially possible. Is it as simple as that. And never will I be led to believe anything else.

But it is not so. Policies should be geared to that. The problem will never be solved by waiting for the good "contribution" of the United States, by waiting for milk and butter from New Zealand and Australia and for textile from Japan and Korea. We will never solve our real economic problems by relying on foreign countries. We must not interfere in their internal affairs, and consequently we do not even know whether the competition they offer with their products is real. Whether it is true that they produce cheaper, we do not know. We do not control those countries.

Therefore the government measures should aim at promoting domestic production, which would have the happy effect, Mr. Speaker, of solving our unemployment problem.

What are we doing about manufactures or textiles plants closing down in Quebec when we see ships full of textiles from other countries unloading here? Then we put $4 billion in the unemployment insurance fund to pay those who do not work because government policies prevent them from doing so. If we do not produce everything we need, of course we will have unemployment; it is simple, Mr. Speaker, and I do not understand why we fail to see that.

Of course, this is why we are forced to do negatively the work of the government during this session, since nothing has been proposed to solve the very serious problem we are facing, inflation. Absolutely nothing.

To conclude, there is another point I would like to make. This government does not really try to reach a practical understanding with the provinces. There is now a constitutional problem in Canada. Closing our eyes to the problem will not solve it. The problem is there. There is a current example in the field of communications, with contradictory positions taken by Quebec and the Canadian government.

What does the government do about it? It plays the strong man. It digs in and says: "We are right, that is the end of it, go back to your places." That, Mr. Speaker, is an excellent way of inviting trouble. Instead, the government should ask itself what do Quebecers want. If Quebecers answer they want control over communications, let them have it. That is true democracy. We have no authority to judge. As I indicated to the Prime Minister (Mr. Trudeau) himself, there are times when we must go above the constitution and say: That is that. Mr. Speaker, it is only by chance that the federal government entered the communications field. It is only because the provinces did not move in in the first place. It is simply because an act of the Quebec Legislative Assembly, now the National Assembly,

was never implemented that control over radio, television and communications in general is now in federal hands. If the provinces had wanted to take it, they would have done so. It is not because an error was committed there at other times that the views of provinces should still be denied.

For that reason, I believe the federal government's attitude in this area would have serious if not disastrous consequences. I must once more blame the government for its attitude in this area. If we are going to have a truly united Canada, it is essential that the provinces be given a fair hearing. It is also essential that we get truly interested in Canada's various regions and their needs. That is important, that is essential. We must not try and solve problems simply by stating they do not exist. In conclusion, Mr. Speaker, I will make only one wish, namely that the next session give us the opportunity to debate bills which are really concrete and aim at helping the Canadian people. I shall then be pleased to give credit to the government for it.

* * *

● (1640)

[*English*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Penner): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-66, an act to amend the Excise Tax Act, without any amendment.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Penner): I have the honour to inform the House that a communication has been received which is as follows:

Government House,
Ottawa, July 30, 1975

Sir,

I have the honour to inform you that the Honourable Wilfred Judson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 30th day of July, at 4.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
R. de C. Nantel

Assistant Secretary
to the Governor General.

[Mr. Matte.]

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Sharp:

That, when the House adjourns this day, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the government, when the House may meet for the purpose of dealing with any subsequent proceeding on or the giving of Royal Assent to any bill or bills that, at the time of adjournment this day, have been given third reading in this House but have not yet been given Royal Assent;

That, after the giving of Royal Assent to the said bill or bills, or in the event the House does not meet for that purpose, the House shall be adjourned or shall stand adjourned, as the case may be, until October 14, 1975, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act, owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, it is not a point of order, but I would like to take part in the debate. I do not intend to speak at length because I do not want to prolong the debate. What I want to do, Mr. Speaker, is to draw the attention of hon. members and, particularly, of the government on the tragic disaster which happened in the Îles-de-la-Madeleine, in my riding, when Hurricane Blanche swept through the area the day before yesterday, July 28.

Even if the damages are not as heavy as at Saint-Bonaventure, the losses suffered by the islanders represent a great trial and will deprive most of them of their means of living for a long time. Hurricane Blanche tore off and blew over the roofs of motels and houses, lit fires which destroyed herring smoke houses in Cap-aux-Meules and many houses, sank many fishing boats and other boats, damaged many others, caused untold damages at the harbour of Millerand, which is being upgraded. One person, Miss Jocelyne LeBlanc, died in a fire during that tragedy. The current assessment of damages which have been reported to me this morning lies between $3.5 million to $4 million. I take this opportunity to extend my condolences to Mr. and Mrs. Fortuné LeBlanc, the parents of Jocelyne and to all the members of their family, following the death of their daughter in the fire which also destroyed their home.

I also wish to express my sincere condolences to the people of Îles-de-la-Madeleine tried by this tragic disaster and I want to assure them of my entire cooperation in this sad event. I urge the Canadian government to bring all the help they can give in the circumstances to these people, so that they might recover as soon as possible from this sudden disaster, without unduly mortgaging their future.

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I would like to involve myself in this debate for just a few moments, and I would like to associate myself with the remarks which were just made by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), as well as with the hon. member for Drummond (Mr. Pinard) with regard to the tragic circumstances in recent days in the Drummond constituency where, at St. Bonaventure, a tornado struck, taking the lives and injuring a number of people there, and couple that with the tragic circumstances associated with the town of Springhill in my constituency, which fortunately did not involve the loss of any lives, as was the case in the two previous disasters, but did destroy the whole business section of the town of Springhill and, as a result, added a tragedy on top of a number of recent tragedies that have occurred over the last two decades in that community, as many Canadians are aware.

Some members of the House might not be aware of what has happened in Springhill. In 1956 we had a coal mine disaster that took the lives of 39 miners. In 1957 we had a very severe fire that destroyed a good part of the business district of the town, and which was later rebuilt. In 1958 we had another coal mine disaster which took the lives of 79 miners, eliminated the only real industry left in that community and the coal mining operations that were there.

Because of subsequent government actions, both federal and provincial, we were able to rebuild the town of Springhill and give it a new economic base. One of the major contributions towards that was the establishment of two penitentiaries in that community, which gave economic viability and confidence to the business community, allowing them to reinvest in the town and rebuild.

In recent days we have had three very serious and tragic disasters that struck Springhill and two different communities in Quebec. I must say that while this is usually the time to criticize the government and to point out what it has not done, I want to say first of all that I personally appreciated the attitude of all members of the House with regard to the problems that are associated with the Springhill tragedy, and I want to say as well that I have been impressed by the hon. member for Drummond who immediately rose in the House and brought to the attention of the government and the House the tragic event that took place in St. Bonaventure, just as the hon. member for Bonaventure-Îles-de-la-Madeleine did this afternoon with regard to his constituency.

I was pleased as well to see that the hon. member for Saint Hyacinthe (Mr. Wagner) also rose in the House and indicated the support of all members in our party in connection with the tragic circumstances associated with the tragedy in Drummond. Today the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) indicated some concern over the fact that maybe sufficient attention was not being given to the circumstances surrounding the tragedy at Drummond, and indicated his hope that the governments, both federal and provincial, will do anything they can to assist those people and help them to rebuild the town and the homes that were destroyed by the tornado.

There are times when the public or members, regardless of party, find fault with the government. But in so far as the tragedy at Springhill is concerned, I must say that the government and the ministers who are particularly involved deserve a good deal of credit for the way in which they banded together to try to find what they could do at the federal level to assist in rebuilding the community there.

I think that special credit should be given to the Minister of Regional Economic Expansion (Mr. Jamieson), who acted as liaison between the various cabinet ministers in trying to assist by putting together a group of proposals from the federal government without its having had any specific request from the province of Nova Scotia, trying to use federal programs to restore confidence in the people of Springhill by showing that there are others in this country who are concerned and aware of their problems. This will assist them in setting the town back on the road to recovery, and in giving it an economic base which will make it a viable community once more.

● (1650)

I mentioned the Minister of Regional Economic Expansion, and I certainly must also mention the Solicitor General (Mr. Allmand), with whom I often cannot agree. Nor can I always support the policies he purports to stand for in association with his department, but certainly in so far as he was concerned about Springhill and the possibility of locating another penal institution there, his reaction was immediate, and the activities of his department are obvious to the people in that community today.

There is work being done to ascertain whether a new, smaller institution could be established there which would provide additional employment, and additional confidence in the minds of the business community, which would be of material assistance in giving an economic base to those people who must be having difficulty deciding whether to rebuild or to put the insurance cheques in their pockets.

I must also say that the Minister of Manpower and Immigration (Mr. Andras) reacted in a very commendable way by saying that because of the problems that community faces, and because of the very great havoc which has been created by the fire, he is willing to eliminate the possibility of delay in starting new LIP projects, allowing them to move forward quicker so that the town can be cleaned up and look presentable, so that when people come there they may give favourable consideration to undertaking whatever they intend to undertake.

Some hon. Members: Hear, hear!

Mr. Speaker: I certainly do not want to restrict the hon. member, or any other hon. members. I do not know if the House is anywhere close too being ready for the question or whether it would prefer, upon returning from the other place where Royal Assent will be given, to resume the debate. Is it preferable to resume the debate?

Some hon. Members: Question.

Mr. Coates: Mr. Speaker, I prefer to resume the debate after we go to the other place.

An hon. Member: Take your few minutes now.

Mr. Coates: If I happen to be the only other person who wants to be involved in this debate, I would be quite happy to finish in two or three minutes, and we could go to the other place, if that is agreeable to hon. members.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: There seems to be a consensus that the hon. member for Cumberland-Colchester North (Mr. Coates) be allowed to bring his remarks to a conclusion and thereafter the House would be ready for the question. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: If there is another speaker after the hon. member for Cumberland-Colchester North, I think that necessitates our returning after Royal Assent.

Before leaving for the other place I would just like to mention to hon. members that, as has been indicated, the debate on the adjournment motion is drawing near a conclusion, and if in fact it turns out to be the case that the debate does come to a point of resolution, it would be my distinct pleasure to receive hon. members in room 16 at the conclusion of the debate and after the point of decision.

● (1700)

ROYAL ASSENT

[*Translation*]

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

Mr. Speaker, the Honourable Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-8, An Act to establish a national petroleum company.—Chapter No. 61.

Bill C-66, An Act to amend the Excise Tax Act.—Chapter No. 62.

Bill C-50, An Act to amend the Agricultural Stabilization Act.—Chapter No. 63.

Bill C-53, An Act to amend the Prairie Grain Advance Payments Act, No. 2.—Chapter No. 6.

Bill C-57, An Act to amend the Federal-Provincial Fiscal Arrangements Act, 1972.—Chapter No. 65.

Bill C-16, An Act to amend certain statutes to provide equality of status thereunder for male and female persons.—Chapter No. 66.

Bill C-70, An Act to amend the Public Service Staff Relations Act.—Chapter No. 67.

Bill C-63, An Act to amend the Olympic (1976) Act.—Chapter No. 68.

Bill S-25, An Act to amend the Privileges and Immunities (International Organizations) Act.—Chapter No. 69.

Bill C-67, An Act to amend the Customs Tariff, (No. 3).—Chapter No. 70.

Bill C-1,001, An Act to provide an exception from the general law relating to marriage in the case of Richard Fritz and Marianne Strass.

Bill S-24, An Act to incorporate the Canadian Commercial and Industrial Bank.

Bill S-26, An Act respecting Alliance Security & Investigation, Ltd.

Bill S-28, An Act respecting The Royal Canadian Legion.

● (1710)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Sharp:

That, when the House adjourns this day, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the Government, when the House may meet for the purpose of dealing with any subsequent proceeding on or the giving of Royal Assent to any bill or bills that, at the time of adjournment this day, have been given third reading in this House but have not yet been given Royal Assent;

That, after the giving of Royal Assent to the said bill or bills, or in the event the House does not meet for that purpose, the House shall be adjourned or shall stand adjourned, as the case may be, until October 14, 1975, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act, owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I certainly will not hold proceedings up very much longer at this point. I did want to point out, however, ways and means by which the federal government can participate and be of assistance in a constituency struck by disaster, without the provincial government having to make application under the disaster relief formula. This formula makes it very difficult for a provincial government to seek support at the federal level because of the heavy involvement that might be useful when a disaster is province-wide and involves expenditure of millions of dollars. In specific areas the formula does not work. The federal and provincial governments have to work together to try to overcome the disabilities faced by the stricken communities.

Some people may be concerned about the constituency of Drummond and the fact that the government of Quebec does not wish to apply to the federal government for disaster relief under the federal-provincial formula. At the same time there are ways in which the federal and provin-

cial governments can work together. I believe they are doing so very effectively in Nova Scotia now to overcome the disabilities which face the community of Springhill.

I have mentioned a number of programs, but to be fair to the other ministers involved I think I should mention them also. The Minister of Regional Economic Expansion (Mr. Jamieson) is looking into the possibility of setting up a textile industry in the community. He has expressed his willingness, too, to involve himself in efforts by the provincial government to establish an industrial park in that area to help attract the new industries which are needed. Moreover, he has indicated to me that the Minister of State for Urban Affairs (Mr. Danson) is undertaking certain plans in cooperation with the government of Nova Scotia to provide housing for people who have lost their homes as a result of the fire.

These programs, which are in addition to those I mentioned earlier, will go a long way toward restoring confidence among the inhabitants and giving an incentive to the people in the Springhill area to take this tragedy in their stride and build a new town.

Another idea has been mentioned to me—in fact, it came from Senator Graham from Nova Scotia. So complete was the destruction caused by the fire that an opportunity presents itself to build a completely new downtown district, an endeavour in which the federal government might be able to involve itself through various programs already under way. Ideas of this sort emanate not only from all quarters of this House but, as I have mentioned, from members of the other place, even though the hon. member for Winnipeg North Centre (Mr. Knowles) believes that very little emanates from there that is of any value to anyone.

Mr. Knowles (Winnipeg North Centre): Well said.

Mr. Coates: To the other two hon. members who have experienced the same kind of tragic situation associated with disasters, I would say there are many ways in which they could work with the federal government and provincial governments to see that their communities are brought back to viable economic life.

The other point I wish to bring up concerns a responsibility of the CRTC. It relates to television coverage in my constituency. My constituency happens to border on New Brunswick, and everything we get on television comes from either New Brunswick or Prince Edward Island. There is nothing from Nova Scotia. We are almost led to believe we are in a different province when we turn on our television sets because nothing associated with Nova Scotia ever gets to us.

I have brought up this subject previously. I have appeared before the CRTC and I have made representations concerning it, but I have never been able to get any satisfaction. Along with this, we have a cablevision operator in the town of Truro who operates a cablevision service for both Truro and Bible Hill. He insists on giving the people of that area nothing that they ought not to be able to get without cablevision. In other words, they can only get two television stations which they should, in any case, be able to get without cablevision. However, because of "holes" in reception, the only way people can get a good picture is by purchasing cable. The cablevision operator will not provide any of the inducements offered by other cablevision operators in Nova Scotia. Incidentally, I notice that the CRTC recently allowed him to increase his rates.

I have had the CRTC carry out a special investigation into this matter. They gave me a report which, as far as I am concerned, was just a whitewash. Something should be done to see that this cablevision operator either produces an inducement for people to pay special rates at least equivalent to those provided, for example, by the cablevision operation in Amherst—the channels in the area plus two American channels—or that somebody else takes over the operation in the Truro-Bible Hill area.

I wish to thank hon. members for their patience in listening to these remarks, and to thank you, Mr. Speaker, and to wish you a very enjoyable recess.

Mr. Robert Muir (Cape Breton-The Sydneys): First of all, Mr. Speaker, I suppose I should apologise to hon. members for detaining them at this late hour close to the adjournment of the session. However, I regret I cannot extend such an apology because the matter I have to raise is one of such serious consequence that I would not be doing my duty if I did not bring it before the chamber this afternoon.

Earlier today, under Standing Order 43, I sought leave to move a motion with reference to the serious situation at the Sydney steel plant where 500 workers have been laid off since March. Apparently in the last few days difficulties have arisen in connection with the rail bill and it would appear that we will now see a few hundred more laid off.

The federal government has involved itself with the affairs of the steel plant on several occasions, providing assistance for which we are very grateful, and which was forthcoming despite the fact that this was a Crown corporation operated by the province.

My purpose in seeking to move a motion under Standing Order 43 was that I felt that this was a situation which should be looked into by the federal government. The motion was that, in view of the problem, the government should check with the Department of Regional Economic Expansion, the Department of Labour, and the Department of Manpower and Immigration to get from those departments a team of experts who would go to Sydney immediately in order to determine what assistance could be rendered, either technical or financial.

● (1720)

I had hoped to ask a question, but the question period today was quite busy. This is the reason why I bring it to the attention of the House at this time. I feel the team of experts could do something to assist that operation. All parties in the House agreed to the motion, with the exception of a Liberal member. That was very unfortunate because this is a very serious situation, coming on top of an announcement a few weeks ago that we are going to lose the Toyota assembly plant of Canadian Motor Industries. We will suddenly lose jobs there.

Not too many months ago we lost the General Instruments Corporation plant which assembled electronic devices, automobile turners, and so on. This resulted in 1,000 people losing their jobs. I raised this with the Minis-

ter of Industry, Trade and Commerce (Mr. Gillespie), but nothing was done. Those people are still out of work.

We also have the coal mine in Cape Breton which, at the moment, is in danger of being sealed off because of a mine gas explosion. Several hundred employees are not working there, with the exception of the draggermen and what we call the bareface miners. They are risking their lives to put this mine back into condition so that work can again commerce. I must commend the Cape Breton Development Corporation and its president, Mr. Tom Kent, for the extreme effort being made to rehabilitate that mine. I also commend the workers, who on occasion worked around the clock with heavy equipment and gas masks and, of course, the bareface miners who are risking their lives.

I want to bring this problem to the attention of the Acting Prime Minister (Mr. Sharp), who should take it upon himself, if for no other reason than out of the goodness of his heart, to bring the problem to the attention of the cabinet and have it put high on the priority list.

I am happy that the Minister of Transport (Mr. Marchand) is here. He is a former labour leader who knows the problems of the workers involved in steel and many other industries. I hope that both ministers will use their good offices to bring this to the attention of the cabinet. It is funny that no matter how loud I raise my voice, both cabinet ministers do not seem to be listening. They are conversing, I hope about the problem we are confronted with on Cape Breton Island.

An hon. Member: Oh, oh!

Mr. Muir: If the hon. member who made the interjection would like to identify himself, I will take him to Sydney to explain why he opposed my motion this afternoon which probably would have helped the industry. I will be pleased to escort him to the city of Sydney where he can talk to the steel workers, the businessmen, and others involved in the industry.

Mr. MacFarlane: I did not make the interjection, but I would love to visit there.

Mr. Muir: Coming from a steel city, the hon. member knows the problems we face. In any event, I will not detain the House any longer. I know it is unfair to the members who are here. They have received an invitation from Mr. Speaker to attend a reception which they justly deserve.

I implore the Acting Prime Minister to ascertain what can be done with the expertise that is available in the three departments I mentioned, and to assure us that in conjunction with other cabinet ministers he will do his utmost to have every possible assistance rendered to the premier of Nova Scotia, who is on the board. This is a Crown corporation operated by the provincial government.

At the same time I ask him to bring to the attention of the cabinet the new steel complex that was promised for Cape Breton Island prior to July 8, 1974, something over a year ago. I ask him to ascertain whether that is still in the mill, and I do not mean the steel mill, as to future projections. I want him to assure us that when that complex comes about, it will not be built in some other part of the country. The Liberal candidate in my area assured my people that the steel complex proposed as a result of a study by the Department of Regional Economic Expansion would definitely be in the Cape Breton area.

We now hear the Minister of Regional Economic Expansion (Mr. Jamieson) issuing other sounds. I hope and pray that the day does not come when such a complex comes about that it will be located anywhere other than Cape Breton Island where we have expertise and the work force. God knows we have enough unemployment, ranging between 15 per cent and 20 per cent.

In conclusion, we have heard the slogans of the government during campaigns. "The land is strong". "We have the answers" and a great many others. Unfortunately in our area the land is not strong, and we have found that the government does not have the answers.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like some others I had a speech I could make at this time, but I have filed it. Rather, as one of the oldtimers around here, I want to start the process of the appropriate greetings for the occasion. On behalf on my party, and we are unanimous, I extend greetings for a very useful and happy break to all members of the House, to the staff, to those at the table, to Your Honour and all those who occupy the chair.

While I am on my feet may I express the hope that when we come back in the fall the government will present to us the kind of legislation that will enable us to do a better job for the rest of the session. But my main purpose in rising now is to extend greetings to one and all.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, following the example of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), I shall not make a speech. I wanted, for once, a member on this side to have the last say over our good friend, so I simply echo all his good wishes.

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Penner): Pursuant to order made earlier this day, the House stands adjourned until Tuesday, October 14, 1975, at two o'clock p.m.

At 5.33 p.m. the House adjourned until 2 p.m. October 14, 1975, pursuant to special order made this day.

HOUSE OF COMMONS

Tuesday, October 14, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

RESIGNATION OF MEMBERS

Mr. Speaker: Order. It is evident that a number of announcements are required to be made at the resumption of this session. Some special proceedings have been discussed and possibly will be agreed to; all of which will take some time. We should address our attention, I think, after the expiry of these rather special announcements to the preservation of an appropriate question period which, pursuant to the special order under which we continue to operate, would expire at three o'clock. Obviously, that would deprive members of their right to ask questions, particularly on this of all days. Therefore, I suggest that we take at a proper pace the rather special proceedings that may intervene between now and the commencement of the question period, and seek at that time a consensus whether we should safeguard 40 or 45 minutes for questions at that time.

May I begin by calling to the attention of the House two resignations which I have received in due form from former hon. members. The first is from the Hon. Gérard Pelletier, the former member for the electoral district of Hochelaga. The second is from Mr. Walter Carter, the former hon. member for St. John's West. Both resignations have been received in due form and are in order.

RESIGNATION OF DEPUTY CHAIRMAN OF COMMITTEES

Mr. Speaker: I have also received a resignation from the Deputy Chairman of Committees, the hon. member for Thunder Bay (Mr. Penner). I might say at this time that in his first year in this office it was an honour for all of us associated with the Chair and the Clerks at the table to have the assistance and able counsel of Mr. Penner in that role. We regret to see him go.

Some hon. Members: Hear, hear!

● (1410)

Mr. Speaker: I want to wish him well in his new career. We have some information as to the nominee for his replacement which will evidently take place later in the day. We anticipate with the same warm feeling and joy the replacement by that hon. member, who I suppose I should refrain from mentioning until it becomes an official fact.

RETIREMENT OF CLERK ASSISTANT

Mr. Speaker: Hon. members will notice, for the first time, probably, in the experience if not of all hon. members of the House, then of one or two, the absence from the table of Mr. Gordon Dubroy. Mr. Dubroy has been Clerk Assistant to this House and has served in other capacities with a quality that is so extraordinary as to escape adequate description by me. The fact that he is not here is the result of his retirement last spring. When I was first elected to this position he was ready then to retire, but I begged him to stay on because I valued his counsel and advice. Experience has taught me that persuading him to stay was one of the most important and salutary moves I ever could have made.

Mr. Dubroy finally prevailed upon us, in the summer, to accept his resignation and it was time for his retirement to begin. I wish all hon. members to know that I invited Mr. Dubroy to be here today at the table in order to hear not only my tribute but, I am sure, the tributes that will be expressed to him by representatives of all parties in the House. His absence from the House is certainly not due to his unwillingness to accept my invitation but, unfortunately, because he is at present in hospital in Ottawa, where this morning he underwent rather serious surgery. We are awaiting reports from the hospital but, regretfully, I cannot be optimistic at this time. When further news is available, I will certainly pass it along to hon. members.

Some hon. Members: Hear, hear!

Mr. Speaker: We find ourselves blessed with the replacement for Mr. Dubroy in the person of Mr. Charles Beverley Koester, the former Clerk of the legislature of Saskatchewan. The Privy Council has blessed us with a man of experience and skill.

I would not want to undertake to describe the qualifications that would be required to fill the post that has been left vacant by Mr. Dubroy, but certainly it is our early indication that Mr. Koester possesses all of those qualifications. I know all hon. members would want to wish him well in that distinguished position.

Some hon. Members: Hear, hear!

APPOINTMENT OF DIRECTOR OF LEGISLATIVE SERVICES

Mr. Speaker: I have one final piece of information to transmit to hon. members, that is, the appointment of Mr. R. E. Thomas as Director of Legislative Services, a service upon which all hon. members depend so heavily. Mr. Thomas has served in various capacities leading to his appointment. He has been a faithful servant of the House of Commons and we are confident that his appointment as Director of Legislative Services is a wise one. I am sure all

hon. members would want to congratulate him upon that appointment.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

PROCEDURE TO DEAL WITH ANTI-INFLATION PROGRAM

Mr. Speaker: I understand that in respect of the announcement by the Prime Minister last evening there have been discussions about the subject matter for debate this day and that the President of the Privy Council may have some remarks to make in that respect.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, in order to provide for a special debate on the government's anti-inflation program today, I suggest the House might like to make an order to permit the Minister of Finance to table now the white paper entitled "Attack on Inflation".

Some hon. Members: Oh, oh!

An hon. Member: How about "wrestling with inflation"?

Mr. Sharp: Mr. Speaker, it is quite clear that members of the House are very anxious to have such a debate today. My suggestion is that the Minister of Finance should be given the authority to table his white paper now, so that we would have an opportunity of discussing it some time this afternoon. In order to provide for that debate, I also suggest that an order be made in the following terms:

That when the orders of the day are reached this day, a minister of the Crown shall move the adjournment of the House in order to debate the white paper entitled "Attack on Inflation" tabled this day, and that the said motion shall be deemed to have been adopted at 10 p.m.

Mr. Nowlan: What is the name of the minister—Rip van Winkle?

Mr. Speaker: The first matter is that the Minister of Finance shall have leave to table the white paper, and the second is the order proposed by the President of the Privy Council. Is this agreed to?

Some hon. Members: Agreed.

Some hon. Members: No.

THE CANADIAN ECONOMY

TABLING OF WHITE PAPER, "ATTACK ON INFLATION"

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I hope the same unanimity continues throughout my term of office.

An hon. Member: Don't count on it.

[Mr. Speaker.]

Mr. Macdonald (Rosedale): I would like to lay on the table of the House, in both official languages, the white paper on the subject of inflation.

* * *

HOUSE OF COMMONS

TRIBUTES ON FORTIETH ANNIVERSARY OF ELECTION OF MR. T. C. DOUGLAS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with your indulgence, and before we begin to discuss matters which might reveal some slight differences of opinion among hon. members, I want to draw attention to a remarkable anniversary of a remarkable man, a man whose character and achievements elicit unanimous respect and universal admiration. It was on October 14, 1935—40 years ago today—that the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was first elected to this House.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is astonishing to realize that a man so young in spirit and a man whose ideas and priorities are so relevant to today and tomorrow took his seat in this House before any of the rest of us were here and before many of the rest of us were born.

An hon. Member: Not you.

An hon. Member: Oh, oh!

Mr. Trudeau: It is even more astonishing to realize that a man of such phenomenal energy will have 71 candles on the cake when he celebrates his birthday next Monday.

[*Translation*]

The respect which the hon. member enjoys in the House is not only ascribable to his vitality, his age, but is especially due to his distinguished contribution to federal politics and to the valuable services which he has rendered and which he continues to render to his country.

Throughout his long career as churchman, Member of Parliament, premier of Saskatchewan during 17 years and leader of the New Democratic Party, he has worked with untiring eagerness to see Canada achieve the objectives which he had set for himself on reaching adulthood, namely independence and national unity, civil liberties and equality of opportunities and above all social justice.

[*English*]

● (1420)

Over the years he has known moments of triumph, but never of despair; he has heard criticisms of his policies, but never of his integrity. His experience of the hunger, poverty and unemployment of the depression years on the prairies has left a permanent mark on his soul and has made him a lifelong man of the people. He has pleaded the cause of the common man from one end of Canada to the other, and left behind in each community he has visited a lasting impression of warmth, compassion, wit and tireless energy. All of us in this House know him as a skilful and formidable speaker, a man who always keeps his word, a man who is willing to forget sharp words spoken in the

heat of debate even though he seems incapable of forgetting any fact he ever learned.

In the name of everyone on this side of the House, I want to salute a man whose presence here continues to earn for parliament the respect of Canadians everywhere.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to join the Prime Minister (Mr. Trudeau)—at least for this occasion today—on behalf of myself and my party in paying tribute to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

I think the first thing that should be noticed about the hon. gentleman and his life is that he was an immigrant. I do not know just what effect this is going to have upon the attitudes of various people in Canada toward future immigration policy. The second thing is that I understand he was an amateur boxing champion, which no doubt explains why he is so familiar with Murphy's law. I understand that an antagonistic voter once tried to ridicule the hon. gentleman by saying that Mr. Douglas was so small he could eat him, and the hon. gentleman replied, "If you ate me, you would have more brains in your stomach than in your head."

Some hon. Members: Hear, hear!

Mr. Stanfield: As the Prime Minister has outlined, his public career has been very long, very honourable and very distinguished. I have known him for quite a long time. I knew him first when he was premier of the province of Saskatchewan and I was premier of an even greater province.

Some hon. Members: Hear, hear!

Mr. Stanfield: The hon. gentleman and I have not always agreed, but I want to say that he exemplifies an extraordinarily rare combination of generosity, of spirit, of good humour, of tenacity and courage, not to mention eloquence. He has given a great deal to this parliament, to the legislature of Saskatchewan and to our country. I respect him; I like him. I congratulate him for his record of years of public service. Personally, and on behalf of my party colleagues, I wish him many years of health, happiness and continued controversy.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my colleagues and I wish to join the Prime Minister (Mr. Trudeau) in extending our wishes to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). The hon. member was for many years the premier of Saskatchewan. Indeed, he led the CCF party to power in that province, thus forming the first CCF government in Canada.

Mr. Speaker, the Prime Minister referred to October 1935. That year, William Aberhart was elected under the banner of Social Credit. A few months later, the hon. member for Nanaimo-Cowichan-The Islands was a federal candidate in Saskatchewan. The member was then well known in the west. He was therefore elected in 1935. I was told that he used to drive a 1933 or 1934 car on which could be read on one side: Vote CCF and on the other: Vote Social Credit. He was therefore the real representative of two political parties when he was elected for the first time in 1935. And at that time he so attracted the attention of the people—it is to be noted—that he even attracted not only the sympathy and friendship, but also the conviction of the present Prime Minister. At that time, the Prime Minister was strongly in favour of the CCF party. Therefore, this means that the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has commanded the respect of a number of people who shared his convictions.

In any event, Mr. Speaker, I am very happy to include the hon. member among my good friends. He is devoted and he has earned the sympathy not only of the members of his own political party, but also the sympathy of others who appreciate him as a man. For instance, in Ponteix, Saskatchewan, where all my relations on my maternal side have been living since 1909—all were authentic Liberals—when Tommy Douglas canvassed in an election in Saskatchewan, and became minister, we heard them say: We are not CCFers but we cannot vote against Tommy. That is how people voted for Tommy and that is how he attracted the sympathy and friendship of the whole population of his province and of Canada.

Therefore, I join with the Prime Minister and the Leader of the Official Opposition to wish him a happy anniversary next Monday. He is seventy-one and yet he does not look a day older than fifty. This means he is in perfect physical form. Once again, I wish him many more years during which he can continue to devote himself to the whole population. Obviously, the hon. member for Nanaimo-Cowichan-The Islands is an asset for the House of Commons. He is a man who sets a good example and those who follow him in the field of work and courage are not going wrong. In the name of my colleagues and in my own name, I extend every good wish to the hon. member for Nanaimo-Cowichan-The Islands. May he continue to devote his time and energy for the good of all Canadians.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as I belong to the same political family as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), it would be inappropriate for me now to devote a number of words praising the hon. member that would otherwise, in different circumstances, be appropriate. I say this especially when the hon. member's integrity, his commitment to principle, his debating skill, and above all, perhaps, his sense of humour have been so well alluded to by the leaders of the other political parties in this House. However, as I am the only one of those who have spoken so far who was not born when the hon. member was first elected 40 years ago—

● (1430)

Some hon. Members: Oh, oh!

Mr. Broadbent: —I wish to say, in all seriousness, that the specific detail for which people of my generation will most remember the hon. member for Nanaimo-Cowichan-The Islands, both in terms of his contribution to this House and as premier of the province of Saskatchewan, is that more than any other Canadian of his generation he fought the very difficult, very trying battle of achieving for Canadians universal medical and hospital care throughout the land.

Mr. T. C. Douglas

Some hon. Members: Hear, hear!

Mr. Broadbent: Not only Canadians of my generation who were watching him then, often as young boys or girls, or certainly as young men and women, but future historians who write the full biography of Tommy Douglas will single that out as his most notable and worth-while contribution to the people of our country wherever they live.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I through you express my sincere thanks to the right hon. Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Stanfield), the leader of the Social Credit party, the hon. member for Témiscamingue (Mr. Caouette), and my own leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), for the very nice things they have said and for their felicitations to me on this, the fortieth anniversary of my having been elected to the House of Commons. I must confess that I have been trying to suppress the fact that I came to this House five years before the right hon. member for Prince Albert (Mr. Diefenbaker) and seven years before the hon. member for Winnipeg North Centre (Mr. Knowles) because I did not want to destroy the common concept that these two distinguished members were here when the place started.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I must confess that I am overwhelmed by the fulsome praise that has been lavished upon me by the leaders of the various political parties, and I want to say that I have had some difficulty in recognizing myself: I know many people across Canada will have even greater difficulty recognizing these descriptions of me. As a matter of fact, I have often thought that my whole political life—my whole life, as a matter of fact—could be summed up in the words "printer, preacher, politician, premier, or the descent of man."

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): On October 14, 1935, I was elected to this chamber as a private member. Forty years later, I am still a private member. My only consolation is that I am holding my own.

When I entered public life, I tried to fix one principle in mind; that is, that I would never allow my political differences to interfere with my personal friendships. I can honestly say this afternoon that I have had friends, and some of them close personal friends, in all the political parties and that I have friends in all parts of this chamber. Therefore, I feel something like the old man who, when he was asked how it was that he did not have an enemy in the world, said, "It is very simple; I outlived the bastards."

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is always the tendency for men and women, as they grow older, to glorify the past and to belittle the present. However, I can say with complete sincerity that while the House of Commons in the second half of the 1930s had in it some political giants, I think the House of Commons today is more dynamic, more lively. We have a better committees' system. We have a better rapport with the constituencies, thanks to the constituency offices and sending out of household mail. I think there is now a better understanding between the people and the elected members than probably at any other time in my political experience.

I look back on four decades of public life, some 22 years in this House and almost 18 years in the legislature of Saskatchewan, and I am convinced more than ever in the effectiveness of parliamentary government. We may not always move as quickly as we should. We do not always advance as rapidly as I would like to see it done. I have never believed in the old cliché that government is the art of the possible. That is often the excuse for caution and timidity. I believe that government is the art of the impossible.

In 40 years I have seen new programs introduced; I have seen new government agencies set up; I have seen social and economic changes which 40 years ago would have been considered sheer madness.

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I will not make any comments on the contemporary scene.

I would like to thank those who have spoken, and hon. members in all parts of the House, for their good wishes as I begin my second 40 years of public endeavour on behalf of the political principles to which I adhere.

Some hon. Members: Hear, hear!

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR PRINCE EDWARD ISLAND

● (1440)

Mr. Speaker: Order, please. It is my duty pursuant to section 19 of the Electoral Boundaries Readjustment Act Chapter E-2, Revised Statutes of Canada, 1970 to lay upon the table of the House a certified copy of the report of the Electoral Boundaries Commission for the Province of Prince Edward Island, 1975.

* * *

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR ORAL QUESTION PERIOD

Mr. Speaker: It being almost 2:45 p.m., I have yet to call proceedings pursuant to Standing Order 43. Perhaps hon. members would agree that we might turn to that item, now, and then proceed directly to question period which would expire at 3:30. Is that agreed?

Some hon. Members: Agreed.

BILINGUALISM

SUGGESTED DELAY IN IMPLEMENTATION OF PHASE TWO OF PROGRAM—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that all public service staff associations have protested in the strongest terms the government's plan to implement phase two of the bilingual program dealing with units working in French and have called for a halt in implementation, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the implementation of phase two be halted forthwith, and that the government's program of implementation be submitted to a parliamentary committee to ascertain whether it is in keeping with the spirit and intent of the House resolution of 1973.

Some hon. Members: Hear, hear!

Mr. Speaker: Under the provisions of Standing Order 43 the question cannot be put in the absence of unanimous consent by the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PRIME MINISTER'S OFFICE

REQUEST FOR STATEMENT ON DEFICIT IN CONNECTION WITH CONSTRUCTION OF SWIMMING POOL—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43—

Some hon. Members: No!

Mr. Cossitt: —to move, seconded by the hon. member for Winnipeg South Centre, the following motion:

That the Prime Minister make a full statement to the House in regard to the sizeable deficit existing in the fund for construction of the swimming pool at his official residence, 24 Sussex Drive, and the House requests this statement include specifically details of the recent unsuccessful attempt by Senator Keith Davey to collect sufficient funds to cover such deficit from prominent Liberals, the amount of the deficit, whether the Prime Minister and Mr. William Teron, President of Central Mortgage and Housing Corporation are presently considering assuming the cost themselves and an assurance that they will not use public funds to bail themselves out.

Some hon. Members: Hear, hear!

Mr. Speaker: Under Standing Order 43 the motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed!

Some hon. Members: No!

House of Commons

[*Translation*]

FINANCE

SUGGESTED REDUCTION OF INTEREST RATE BY BANK OF CANADA—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as my motion concerns more precisely the new Minister of Finance (Mr. Macdonald), I should like to congratulate him for his appointment and wish him well for the welfare of Canada.

Pursuant to the provisions of Standing Order 43, I seek the unanimous consent of the House to move a motion dealing with a very important and urgent matter.

In view of the ever increasing interest rates being the main cause of inflation that affects mostly low wage earners and Parliament being the assembly of the people's delegates, who is the supreme authority in Canada, seconded by the hon. member for Témiscamingue (Mr. Caouette) I move:

That the House recommend to the government and the Minister of Finance to order the Bank of Canada to announce immediately a reduction of interest rates in order to check the voraciousness of credit controllers in the country and at the same time really control inflation.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

HOUSE OF COMMONS

PROPOSED TRIBUTE TO LEADER OF OPPOSITION—MOTION UNDER S.O. 43

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgency.

Whereas the nation has witnessed over the last month and year the greatest dishonesty, treachery, indecisive leadership and lack of integrity, all in the name of political expediency—

Some hon. Members: Order!

Mr. Dick: —culminating in the speech delivered to the nation last evening in violation of Canada's election laws, I move, seconded by the hon. member for Hastings (Mr. Ellis):

That this House, indeed, this nation, show its gratitude to the one political leader who has shown honesty, courage, integrity and a willingness to put his country before himself or his own party's electoral chances, by giving the ovation deserved to one Robert Lorne Stanfield.

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

TERMINATION DATE OF ANTI-INFLATION PROGRAM—POSSIBLE PROVISION FOR REVIEW BY PARLIAMENT

Hon. Robert L. Stanfield (Leader of the Opposition): May I direct a question or two to the Prime Minister concerning the program about which he spoke last evening—a program contained in the white paper tabled by the Minister of Finance today?

Last evening, the Prime Minister said, and I quote him, "The program of restraint I am announcing tonight will be in effect for a considerable length of time." Can the right hon. gentleman tell the House, at least in a preliminary way, how long the program will be in effect?

Right Hon. P. E. Trudeau (Prime Minister): The legislation itself will provide for its normal termination. The period will be slightly longer than three years—to December, 1978.

Mr. Stanfield: Will the legislation to be introduced to establish this program of restraint, and the powers associated with it, make any provision for a parliamentary review before the expiration of the life of the program as now envisaged? Will there be provision for a parliamentary review, say, at the end of 18 months or two years?

Mr. Trudeau: No, that is not our intention, but I realize the hon. gentleman might wish to make some argument on that basis and we shall listen to it as the debate develops.

EFFECT OF ANTI-INFLATION GUIDELINES ON SALARIES OF MEMBERS

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary on another question or problem arising in connection with the program. The Prime Minister will recall the conversation we had last evening in the presence of the other party leaders on the matter of the effect of the new guidelines upon my salary, his salary, the salaries of ministers, on the salaries of certain members of the New Democratic Party. Is the Prime Minister now in a position to tell the House that it is the intention of the government that his salary, my salary, the emoluments of the New Democratic Party leader and of ministers will be restricted to a maximum increase of $2,400, despite any statutory authorization of a larger amount?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. gentleman recalls the conversation we had last night, I did indicate that the government had given consideration to that aspect. It was not quite clear in the guidelines—not in our intent, but in the guidelines—as to whether contracts and agreements signed before would also cover statutes—

Some hon. Members: Oh!

Mr. Trudeau: I indicated to the hon. gentleman last night that we were prepared to deal with this. I repeat, it is not clear in the guidelines whether—

An hon. Member: Come on!

[Mr. Dick.]

Mr. Trudeau: But I want to assure the House that the legislation on the guidelines will clear this matter up, and it will be quite certain that all office holders under the Crown will be subject to the guidelines.

Some hon. Members: Hear, hear!

ANTI-INFLATION PROGRAM—POSSIBLE CEILING ON GROWTH OF MONEY SUPPLY AND NEW BUDGET

● (1450)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to direct my question to the Minister of Finance, and would also like to congratulate him on his new portfolio.

In view of the Prime Minister's statement on restraint last night followed, unfortunately, by vague references to monetary policy in today's white paper, has the minister contacted the Governor of the Bank of Canada in regard to appropriate monetary policy for the nation to fit within the so-called national action program of the government and, if so, will he indicate what ceiling has been placed on the growth of our money supply, bearing in mind that it has grown 111 per cent in the past 7½ years and by 15 per cent in the past 12 months alone?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the government is developing these guidelines after discussions with officials, including those of the Bank of Canada. The policy to be followed is essentially that set out by my predecessor at the time of the June 23 budget, in that there would be a moderate increase in the money supply to meet the requirements of an expanding economy and some part of inflation. There would, in other words, be slower growth in the money supply than has been the case in previous fiscal periods.

Mr. Stevens: Mr. Speaker, again in light of the Prime Minister's announcement, is the Minister of Finance reviewing the current fiscal stance of the government and can we expect an early announcement on the changes in this fiscal area, perhaps in the form of a new budget?

Mr. Macdonald (Rosedale): Not an early one, Sir.

REQUEST FOR ESTIMATE OF REAL GROWTH

Mr. Sinclair Stevens (York Simcoe): Mr. Speaker, as there are no targets or estimates for real growth in our economy set out in the government's anti-inflation program, and as the former Minister of Finance made several estimates in respect of the real growth in our economy for this year, ranging from a high of something over 4 per cent to zero or negative growth, would the Minister of Finance give the House his estimate of the real growth in Canada for 1975?

Hon. Donald S. Macdonald (Minister of Finance): Not at this time, Mr. Speaker.

ANTI-INFLATION PROGRAMS—PRICE CONTROL MECHANISM—PROVISION FOR CONSUMER COMPLAINTS TO BOARD

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance, and I should like on behalf of my party to extend congratulations to him on his new office. I hope he will do well, and I am sure he will understand if I add, and somewhat better than his predecessor.

My question arises out of the Prime Minister's address last night in which he made reference to the introduction of controls on prices and profits. Can he explain whether the government intends to introduce a price control mechanism distinct from the profit guidelines, or are prices to be controlled only by means of such guidelines which would only operate after the event, so to speak, and only if the board should decide to look into the books of a particular company?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, may I thank the hon. member for Oshawa-Whitby for his kind remarks. As the hon. member might note from the white paper, the circumstances will very much depend on whether the cost increase in respect of a particular product can be clearly allocated to it, or whether the cost is so intermingled with others that one would have to follow another system. In the case of one in respect of which the cost can be allocated, then the only price increase that will be permissible will be one on which actual cost increase has been proven. With regard to unallocable costs, in some industries and, of course, with regard to the distribution sector, the question of profit margin would then be the basis for determination and application of the guidelines.

Mr. Broadbent: Mr. Speaker, could the minister explain whether in conjunction with the so-called price controls there will be a procedure whereby a consumer faced with a sudden or dramatic price increase in respect of a product would have some opportunity to bring that increase directly to the attention of the anti-inflation board, and whether an investigation of that price increase or of that company's profit position would automatically result from this process?

Mr. Macdonald (Rosedale): Mr. Speaker, I would agree that any such complaint should be directed to the board, and I would invite either members of the House or members of the public to do so whenever the occasion arises. As to the manner in which the board dispatches its business, of course it will have to take the internal decisions, but this kind of flow of information will obviously be central to its effective operation.

Mr. Broadbent: Having regard to that last point, Mr. Speaker, I wonder whether the minister would indicate to the House at least approximately how much time would follow between the consumer laying a complaint about an alleged inappropriate price increase with the board and when he or she might expect an answer?

Mr. Macdonald (Rosedale): Mr. Speaker, this would directly relate to the degree of compliance we are fortunate enough to obtain from the business community or other sectors of the economy. I would only say that every effort will be made to keep the board's business current, recognizing, of course, that there will or could indeed be a volume that would be difficult to handle in a short period of time.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

POSSIBILITY OF ADMINISTRATIVE ERROR IN PAROLING OF MR. MARTEL AND MR. CLERMONT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Solicitor General of Canada.

On a number of occasions I asked the Solicitor General whether the government would enforce the capital punishment legislation. He has always replied that he had other means to protect society. In the case of Mr. Martel who committed suicide the other day and killed a 6 year old child, the minister claimed that it had been through an administrative error that he had been out on seven or eight occasions. Recently, we had the case of a Mr. Clermont who was sentenced to hang some twenty years ago and who was out on five or six occasions. Could the minister tell us whether this was also due to an administrative error?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I would have to check on the second case. In the first case of Martel, there was an unfortunate incident in that the warrant of arrest for Martel was delivered by court officials to the wrong prison, to Parthenais rather than the federal penitentiary. Mr. Martel was not, as some newspapers say, out of parole. As a matter of fact he was refused by the parole board both times he applied, but he was released at the end of sentence on mandatory supervision. He would have been kept in if the new warrant of arrest had been delivered to the right place. This is the administrative error to which reference was made. Since that time we have had a meeting in Montreal with the court officials, with the police, with the parole board and so on, and we are taking steps to make sure this sort of thing does not happen again. This is not all within my jurisdiction; some is municipal and some is provincial.

[*Translation*]

GOVERNMENT POSITION ON RETENTION OF CAPITAL PUNISHMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question. In view of the representations made to the minister by various police forces, prison guards and other associations which are asking for the enforcement of the current federal legislation and not the reestablishment of the previous one, has the minister given way to these representations and can he advise the House of the means at his disposal to protect society against notorious criminals?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the government intends to take every measure possible

to protect the public against violent crime, and the Minister of Justice and myself, with the government, are now preparing a package of measures directed toward that goal. I must say in answer to the hon. member that when we do commute a death sentence we do not do so in violation of the law but in accordance with the law, as there are provisions within the Criminal Code which provide for that. I also want to point out to the hon. member that since 1967 when the present law was put in force there have only been five commutations under that law, and in three of those there were unanimous recommendations for clemency.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—CONSENT OF PREMIERS TO DECLARATION OF EMERGENCY AS BASIS FOR LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister and has to do with the meeting with the provincial premiers in connection with this problem of inflation. In view of the fact that many of the means whereby inflation can be controlled are within provincial jurisdiction, as he has said on more than one occasion, and in view of the fact that before the federal parliament can enact legislation which would be effective it would be necessary to have in the preamble of the statute or in a section set apart for the purpose a declaration that there was in effect a serious state of emergency, did the Prime Minister obtain the consent of all the premiers in respect of the insertion of such a term in the act so as to ensure that it will not be subject to successful attack in the Supreme Court of Canada.

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can say the matter was discussed by the premiers. I did not ask them for, and did not obtain from them, any statement to the effect they would react immediately in a final way, and therefore I would not want to speak for their various positions which I hope will be made known as soon as possible; but the matter was discussed. The federal government is aware of the motion put forward by the right hon. gentleman. I would just add that I agree in part with the right hon. gentleman, but there are other headings under which the federal government does claim jurisdiction other than the peace, order and good government section alone. There is the commercial power and there is the banking power as well as many other powers exercised in the course of this legislation.

Mr. Diefenbaker: All of that is correct in theory, but not in fact. The Supreme Court of Canada has made perfectly clear in a number of judgments that for the federal parliament to intrude in those areas within the jurisdiction of the provinces it would be necessary to have a declaration on the part of parliament that an emergency in fact existed. I suggest to him, and await his reply, that without such a term whatever legislation is introduced would be like conducting a war against inflation with pillows and platitudes.

[Mr. Allmand.]

Mr. Trudeau: Mr. Speaker, I might be able to reassure the right hon. gentleman by telling him at this stage I have no cause to believe the preamble, as it appears in the legislation, will be challenged as to its constitutionality by the premiers; but as the right hon. gentleman knows it is open to any Canadian to challenge the constitutionality of an act. We will have to see if the federal act is constitutional or not. We are convinced it is. I am just indicating to the right hon. gentleman that we are not invoking merely the grounds that he has suggested but are reserving the right to plead before the Supreme Court that many other aspects of federal jurisdiction are involved.

ANTI-INFLATION PROGRAM—POSSIBLE CONTINGENCY PLAN IN EVENT OF SUCCESSFUL CHALLENGE IN COURTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is supplementary. Because so many of these subject matters referred to in the Prime Minister's address last night, and in the white paper today, really fall exclusively within provincial jurisdiction, such as rents, professional fees and such matters, in the event of a constitutional challenge as the right hon. gentleman just indicated, I wonder whether there is any further alternative or contingency plan, especially in the field of taxation, that the Prime Minister may have in respect of the provinces.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, it may be that the hon. gentleman is anticipating a bit the legislation itself which shortly will be before the House, but I would indicate to him that within the scheme of the legislation there are various agreements which are provided for and which can be entered into in areas in which the provinces wish to exercise their own jurisdiction. He will see the details of that. At this stage, at any rate we have no intention of forcing upon the provinces any action with which they do not concur. We hope the position that the provinces themselves expressed at the St. John's conference of first provincial ministers a month and a half ago, to the effect that the federal government should take the leadership in fighting inflation, is the position they will sustain and the one which will bring them to co-operate with us in the application of these guidelines and their enforcement.

Mr. Lawrence: Mr. Speaker, my supplementary is simply this: because so many of these subjects will require, as I read it, specific regulations and specific ancillary legislation by the provinces in respect of professional fees, marketing boards and the price of land for housing, which will require some very positive action on the part of the provinces, has the right hon. gentleman received any specific assurance from any province that they will go along with it?

Mr. Trudeau: Mr. Speaker, I repeat as I answered the previous question that I am not empowered to speak for the provinces. I can say I was very encouraged by the attitude of the premiers yesterday and the general indication that they would want to co-operate with us in the fight against inflation in which they have been urging us to take leadership as recently as a month and a half ago. There is a general disposition to support our leadership. As

to the specific way in which we exercise it and the specific way in which the legislation will be applied and enforced, they have reserved their judgment and properly so. They want to discuss this matter with their cabinets and they will make their views known later on.

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[*Translation*]

EFFECT OF ANTI-INFLATION PROGRAM ON MONTREAL TRANSPORT FARES AND TAX SHARING WITH PROVINCES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the Minister of Finance.

What measures does the minister propose to take within the framework of his anti-inflation program, and this in consultation with his Quebec counterparts, so that the TCMUC in Montreal will agree to review the increase in its public transport rates, which took effect yesterday and seriously affects all workers, or to give up this increase?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as we have indicated in the white paper, we are not taking action relating to contracts settled before today. I think the increase the hon. member is referring to is included in that later group. Of course, if there is a possibility, with the consent and the participation of the Quebec or some other province government, to set up a program which would monitor the costs, prices and salaries of governments, we would rely on cooperation in such a context.

Mr. Wagner: Mr. Speaker, I have a supplementary.

Will this outburst of determination on the part of the government in the face of inflation result in putting off indefinitely any study of new federal-provincial sharing of costs to assist the municipalities which, as we know, are no longer capable of assuming their responsibilities, more specifically in the fields of leisure, housing renovation and public transport?

Mr. Macdonald (Rosedale): Mr. Speaker, the matter of federal-provincial agreements in many fields of common interest is now under study; we can look into those changes as well as many others. I must point out that with our austerity program, we cannot guarantee higher payments to individuals or provinces for new programs. As my colleague the Minister of National Health and Welfare indicated, there are programs to which we look for possibilities of decreasing present expenditures.

* * *

[*English*]

HEALTH

POSSIBLE REVISION OF MAXIMUM LEVELS FOR MERCURY CHLORIDE AND PCB

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether any revised maximum permissible levels for mercury chloride and PCB have been decided upon. If not, how soon can we expect any change in view of their present levels being considered by some experts as harmful to health.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, at the present time there is a maximum permissible level of 0.5 parts per million for mercury. This level is strictly enforced. In the immediate future it is not anticipated that there will be a further reduction in respect of that level. So far as PCB is concerned, the results of recent studies in the United States are causing serious concern and my department is examining the advisability of introducing standards which may be even more strict than the United States standards in this regard, for certain fish species in designated geographic areas.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—EFFECT ON BRITISH COLUMBIA WORKERS LEGISLATED BACK TO WORK

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that in the province of British Columbia some 60,000 workers have now returned to their employment in the public interest following government legislation—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Leggatt: —and in view of the fact that this proposed legislation and the white paper would appear to exclude those workers who will not come under the exemptions provided to the 10 per cent, would the minister advise if he would not reconsider these guidelines so that those workers who have returned to work in the public interest following this legislation will not be limited in terms of the contracts they are about to negotiate or sign.

Some hon. Members: Oh, oh!

● (1510)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would say that a settlement of the dimensions of the one now being discussed in British Columbia obviously has to be of pretty fundamental interest, and the government of course will be seeking the guidance of the anti-inflation board with regard to any settlements of that kind. I think that the more sensible way to look at it is that we have created the anti-inflation board and will ask them to scrutinize the application of these guidelines to particular situations and to take action, either by reference back to government or to the administrator, as might seem desirable.

Mr. Leggatt: My supplementary question is this, Mr. Speaker: in view of the fact that the IWA, the largest trade union in British Columbia, is voting this week in terms of the Hutcheon conciliation report, and in view of the fact that that contract will clearly not be concluded prior to October 14 but subsequent to it, can the minister give those workers who are presently working on that contract

any assurance that the vote they are now taking will not be invalid?

Mr. Macdonald (Rosedale): As minister, I do not propose to give assurances either on that or on any individual contract. I think the sensible thing is to refer these matters to the anti-inflation board, to rely on their efforts in this area, and to rely on the judgment they exercise in these matters.

Mr. Leggatt: Would the minister recommend to the union that its members now negotiate with the board rather than with their employers?

Mr. Macdonald (Rosedale): It seems to me that the union will, of course, want to continue to negotiate under the collective bargaining arrangements that exist. We hope that together with all other Canadians they will take account of the possible impact of a very high settlement upon the interests of Canadians generally.

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[*Translation*]

HOUSING

POSSIBLE EXTENSION OF SUBSIDIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of State for Urban Affairs.

As, in coming months, we will have to strengthen our economy through every possible means, can the minister tell the House whether he intends to extend beyond October 31 next the federal subsidies program of $500 to home buyers, to help the housing construction sector?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am not able to speak at this time on any specific subsidy. I would refer to the whole range of programs on which we hope to continue the progress we are making at an encouraging rate this year—

Some hon. Members: Oh, oh!

Mr. Danson: —so that we make certain that we achieve even higher targets next year.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I have a supplementary.

Does the minister mean by his answer that he will cancel the $500 grant to the owner of a new house?

[*English*]

Mr. Danson: No, Mr. Speaker, I am not saying that at this time. I am reviewing this very carefully. We must make certain, particularly in these times of considerable restraint, that every dollar we spend produces results. I have not made a firm decision but I will make it shortly.

[Mr. Leggatt.]

THE CANADIAN ECONOMY

POSSIBILITY OF REDUCTION IN MORTGAGE INTEREST RATES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to my clansman, the new Minister of Finance. In view of the fact that the measures proposed by the Prime Minister last evening indicate no action to deal with certain inequities in our economy, such as inordinately high mortgage rates, and that these inequities will tend to be perpetuated unless dealt with specifically, can the minister say what measures, if any, are proposed to alleviate the high cost of mortgages for prospective home owners whose income increases may be limited to $600 a year?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, perhaps before replying in substance I could, as another member of that able and very good looking clan, the Clan Donald, express my very best wishes to the hon. member for Kingston and the Islands in the enterprise in which she recently launched herself.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): With respect to the substance of the question I would say that my colleague, the Minister of State for Urban Affairs, will be bringing forward, as is indicated in the white paper, some proposals with regard to the housing area. In the longer run, of course, the most effective way to bring down the cost of borrowing in Canada is to bring down the rate of inflation.

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HOUSING

DATE OF INTRODUCTION OF NEW PROPOSALS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question is directed to the Minister of State for Urban Affairs. Can he give us some indication as to when these new proposals will be brought forward?

Hon. Barney Danson (Minister of State for Urban Affairs): As soon as they possibly can be, Mr. Speaker. As the hon. member and as all hon. members know, we are constantly on our toes in the housing field.

Some hon. Members: Oh, oh!

An hon. Member: Give us an honest answer.

Mr. Danson: Our plans are ready. But in view of the existing circumstances we want to review all the programs we have now to make certain again that in the current situation they will have the maximum impact. The hon. member for Kingston and the Islands will be impressed and, I am sure, gratified by the housing starts in this past month amounting to 234,000.

Some hon. Members: Hear, hear!

Mr. Danson: This is up 37 per cent over the same month last year.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—ESTABLISHMENT OF REVIEW BOARD

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to return to the subject we were discussing originally and ask the Prime Minister, if the government intends to appoint the anti-inflation board under the Inquiries Act before the legislation he has dealt with is passed whether he has established the names of suitable hardy Canadians who will be likely to be appointed, and will Mrs. Plumptre be one of the members of that board?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. As usual, the hon. gentleman has a great deal of foresight. He is reading the government's mind.

An hon. Member: What mind?

Some hon. Members: Oh, oh!

Mr. Lawrence: That is a terrible thing to say.

Mr. Trudeau: Are hon. members opposite indicating that the solution we chose is the one they would propose themselves? This morning, by order in council under the Inquiries Act, we have appointed the chairman and vice chairman of the anti-inflation review board. The legislation itself, of course, will provide for other bases for their existence, but we wanted this board to start its existence as of today.

Mr. Baldwin: Who are they?

Mr. Trudeau: There is some curiosity opposite. The name of the chairman is the Hon. Jean-Luc Pepin.

Some hon. Members: Hear, hear!

Mr. Trudeau: The vice chairman is a person who has equally the respect of the House. I thank them both for having answered the call of duty to their country in undertaking this very difficult task. The name of the vice chairman is Mrs. Beryl Plumptre.

Some hon. Members: Hear, hear!

Mr. Baldwin: Have their salaries been established and will the salary payable to Mrs. Plumptre be established according to the guidelines which the government is proposing?

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POST OFFICE

DISPUTE WITH CANADIAN UNION OF POSTAL WORKERS—POSSIBLE ACCEPTANCE OF CONCILIATION BOARD REPORT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Could the minister inform the House as to the current status of negotiations with the Canadian Union of Postal Workers and, particularly, whether the government remains prepared to accept the recommendations of the conciliation board notwithstanding the guidelines announced last evening?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, at the present moment no negotiations are going on. The union is preoccupied with the problem of obtaining a mandate in order to call a strike, if in the opinion of the executive such a move is necessary. The government is prepared to negotiate with the union on the Moisan report, the conciliation board report, particularly in the light of the fact that the guidelines provide certain exceptions, a very significant one being that "there may also be other grounds for exceptions, such as increases necessary to maintain long-established historical relationships between wages in closely related groups and other special cases of equity". The long established historical relationship would be between the wages of the letter carriers and the inside postal workers.

● (1520)

Mr. Dinsdale: From the remarks of the Postmaster General I would conclude that the conciliation board agreement stands, but in view of the fact that the national leadership of the postal union in canvassing its membership has failed to provide an opportunity to express an opinion on the conciliation report, and furthermore appears anxious to lead the membership down the strike route, will the Postmaster General in the public interest now issue an unequivocal statement offering to reopen negotiations on the basis of the Moisan report?

Mr. Mackasey: The postal workers understand that I am prepared to negotiate on this basis. If the national executive continues adamantly to suggest that negotiations take place on a report which advocates 71 per cent over one year, they will be on strike for a long, long time.

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THE CANADIAN ECONOMY

POSSIBILITY OF EXEMPTING CONTRACTS UNDER NEGOTIATION FROM WAGE GUIDELINES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to ask the Minister of Finance whether wage negotiations which have gone to arbitration or conciliation will be exempt from or covered by the wage guidelines announced in the white paper which we received today.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the guidelines with respect to compensation provide that agreements concluded as of the moment of the cut-off point would not be interfered with by the guidelines process. Those which are not concluded would obviously be affected by it, and it would then be a matter for the anti-inflation board to determine in any particular circumstance what the impact would be, in particular what the impact would be of the level of compensation to be awarded.

Oral Questions

APPLICATION OF WAGE GUIDELINES TO SALARIES OF MEMBERS

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Prime Minister. Would the government ensure that its legislation relating to wage guidelines will also apply to salaries of members of parliament, parliamentary secretaries, senators and ministers in the same way as it will to many other sectors of the economy?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

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PUBLIC SERVICE

REPORT OF ADVISORY GROUP ON EXECUTIVE COMPENSATION—GOVERNMENT POSITION ON ACCEPTANCE—EFFECT OF WAGE GUIDELINES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is also with regard to salaries, and it is directed to the President of the Treasury Board. I would like to ask the President of the Treasury Board whether the recommendations of the fourth report of the advisory group on executive compensation in the public service, tabled in April, has been accepted by the government. That reports recommends salary increases of up to $6,500 for deputy ministers. Has that report been accepted?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I think the government agreed to this report in July.

[*English*]

Mr. Nystrom: I would like to ask the President of the Treasury Board, then, whether the recommendations in that report are already in effect, and was the timing of that report coincidental to the announcement of the Prime Minister last night? Does the statement made in the House affect those recommendations in any way?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the report of the Lambert Commission was submitted to the government last July and the Prime Minister announced in July that the government agreed to this report. Thus, this report is not covered by the policies which were spelled out last evening and tabled in the House today.

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[*English*]

FISHERIES

GOVERNMENT POSITION ON EXTENSION OF CONTROL OVER RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State (Fisheries). Tomorrow Iceland becomes the first nation in the North Atlantic to extend its fishing limits to 200 miles, and Norway is expected to follow suit. Other nations will be allowed to fish in Iceland's waters under a controlled licencing progam upon payment of a fee for fishing on a smaller scale, and I understand Mexico is considering similar action. I light of the continuing decline in Canadian fishing resources, is the present government giving consideration to the early extension of Canadian control over the fishing rsources on our continental shelf?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the countries listed by the hon. member have indicated their desire to extend, and this would be followed by negotiations. We have already started the process of bilateral discussion and bilateral negotiations with at least five of the nations which fish off our coast. I believe the success of the ICNAF conference a couple of weeks ago is a recognition of the priority of the coastal state, and I believe Canada's desire to extend its jurisdiction is still very visible to all concerned.

POSSIBLE DISCUSSION OF EXTENSION OF CONTROL OVER RESOURCES WITH UNITED STATES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the same minister in the absence of the Secretary of State for External Affairs. In view of the fact that the Secretary of State from the United States is now visiting Ottawa, and in view of the fact that that country is also moving toward a 200 mile fisheries economic zone, I wonder if the minister would indicate if the relationship between Canada and the United States with regard to the 200-mile limit will be discussed during that visit. Will the minister be taking part, and will he report back to the House on the results of that discussion?

Some hon. Members: Hear, hear!

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, we have been keeping in close touch with the United States on these matters. This question will come up in the discussions on the law of the sea and its implications, and I will leave to my colleague, the Secretary of State for External Affairs, the responsibility of reporting back to the House.

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THE CANADIAN ECONOMY

REQUEST FOR TABLING OF CONTINGENCY PLAN TO COMBAT INFLATION—ROLE OF FORMER FINANCE MINISTER IN DRAFTING ANTI-INFLATION PROPOSALS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. Now that the government has tabled the white paper on inflation, could the Prime Minister table the long rumoured contingency plan on inflation so that we can see what changes, if any, there are in the two approaches and thus help us understand why the government took so long to take action on this issue.

Some hon. Members: Oh, oh!

Mr. Nowlan: I appreciate that the Prime Minister may not want to answer the first question, but perhaps he

might be able to answer the second question, which is not as provocative and much more constructive. When the former minister of finance was minister, did he play any role in the preparation of the current anti-inflation proposals?

Mr. Speaker: Order, please. The hon. member for Edmonton West.

Mr. Nowlan: Mr. Speaker, I have asked two questions in this House after a two month holiday.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Edmonton West.

Mr. Nowlan: On a point of order or on a question of privilege—

Mr. Speaker: Order, please. The hon. member for Annapolis Valley has one minute to wait for his question of privilege.

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TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—DATE OF REPORT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Transport. While he is new in his job perhaps he could disinter a long standing problem from his predecessor and tell us when there will be a report issued on the crash of the Panarctic plane in the Arctic, because there is grave prejudice to next of kin and beneficiaries of those persons unfortunately deceased in that crash.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I hope we will be able to issue that report in about a week.

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PUBLIC SERVICE

PROPOSED REDUCTION OF STAFF—EFFECT ON IMPLEMENTATION OF BILINGUALISM PROGRAM

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to direct a question to the Minister of Finance. As part of the white paper in terms of the public service there has been an indication of reduction in man-years. Is the minister in a position to tell us generally the extent of that reduction of man-years across the board, and does the fact that only staff increases will be allowed in certain areas set out in the white paper indicate that it is the intention of the government not to proceed with the implementation of phase two of the bilingualism program in so far as it may amount to the necessity for an increase in staff?

[Translation]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the policy proposed by the government indicates in fact that some departments will experience a reduction and some others an increase in their personnel as described in the white paper tabled today.

Of course, this will not prevent the continuation of the bilingualism policy voted by the House of Commons in 1973 and which the hon. member supported.

[English]

[Later:]

Mr. Nowlan: Mr. Speaker, on a very short question of privilege, I tried to ask two very sensible and logical questions during the question period. I did allude to the fact that basically the Prime Minister has been on holiday for about two months and this House has been adjourned for a little more than two months. Regardless of what has happened this weekend, and any comments about intellectual dishonesty, I think we are entitled to an answer as to whether there ever was a contingency plan with regard to inflation so that we could see what in heaven's name took the government so long to get off its butt.

ROUTINE PROCEEDINGS

[Translation]

TEMPORARY ANTI-INFLATION COMMISSION

ANNOUNCEMENT OF PRESIDENT AND VICE-PRESIDENT

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have the honour to table the order-in-council establishing the temporary Anti-Inflation Commission and appointing the Hon. Jean-Luc Pepin as president and Mrs. Plumptre as vice-president of the commission.

* * *

● (1530)

[English]

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE HOUSE

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

That Charles Turner, Esquire, member for the electoral district of London East, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

PRIVILEGE

MR. COSSITT—ALLEGED TAPPING OF MEMBERS' TELEPHONES

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege concerning a matter which I believe will be of grave concern to members on all sides of the

House. I refer to information which has come to me that indicates clearly and beyond a doubt that telephone calls being made by members of parliament and possibly, also, by public servants from various places in Canada to their offices here in Ottawa or to other government offices in Ottawa are being periodically listened to in a manner which I will now describe.

The calls to which I refer are those which are made over what are commonly referred to as incoming watts lines which are available for use by public servants and members of parliament to make calls to government offices in Ottawa including members' own offices. Since this system was installed I have made use of it, as I am sure other members have also done, and it first came to my attention on a number of occasions that at intervals of approximately 30 to 45 seconds I was hearing clicking noises—

Some hon. Members: Oh, oh!

An hon. Member: You hear that even when you are not on the phone.

Mr. Cossitt: —that sounded as if someone was coming on the line at such points. I therefore made immediate inquiries with several operators involved on these occasions, and was advised by the operators that they had instructions to check at certain intervals for the purpose, so they said, of seeing if a line was still in use, by listening for conversation. I then asked to speak to the senior supervisor on duty, and would like to cite as an example the conversation that I had with Mrs. Breton who was the supervisor on duty when such an incident occurred on October 1.

Mrs. Breton confirmed information given to me by another supervisor on a previous date that operators were under instructions to check the lines at approximately 45-second intervals to determine if conversation was in progress. She further stated that the reason a check was being made for conversation was that Bell Telephone equipment was such that when both parties hung up, the operator did not receive a disconnection and therefore there was no way of knowing whether the call was completed, without making such frequent checks. Any excuse that the checking is done mechanically without actual listening on the line could scarcely be accurate since on at least four occasions I was able to speak directly to and question the operator who was, in effect, listening in.

I find it difficult to accept the fact that Bell Canada's equipment is such that they do not know when a call is completed, and indeed I have since checked this point with persons in Bell Canada who tell me that they have no knowledge of equipment of this inadequate nature. I also asked who, specifically, had issued the instructions that telephone calls were to be monitored in this fashion and I was advised that any such instructions were never issued by Bell Canada and could presumably only have come from the Department of Communications of the Government of Canada, and presumably specifically from or through the office of the man who I gather is in charge of government telecommunications, namely, Mr. M. E. Baigrie. It was explained to me by Bell Canada that although the operators involved in this incident are employees of Bell Canada, they are entirely subject to taking orders and instructions from the Government of Canada.

This brings me, Mr. Speaker, directly to my point of privilege, and that is that we have a case proven beyond a doubt that the Government of Canada, through the Department of Communications, is requiring operators to listen to telephone calls being made by members of this House. It does not seem to me to make any difference how it is explained away, checking for conversation, checking to see if a line is still in use, checking to see if conversation is going on: all of these things boil down to one simple, straightforward fact, and that is that people, under instructions of this government, are listening periodically to private telephone calls of members of parliament.

This I contend, Mr. Speaker, is a breach of the law of this country; it is an affront to parliament; it is directly interfering with the privileges of members of parliament, regardless of political affiliation, when they talk to constituents and other persons over the lines of Bell Canada with complete confidentiality expected.

I realize that generally operators of Bell Canada are honest people who are not concerned with reporting what opposition members of parliament are talking about in regard to government policies or other important matters, but the essential thing is that the very fact this listening is going on does not in any way preclude the obvious possibility that there could be those who would, under direct instruction of the government, make notes and report on calls to those in government to whom such calls might be of interest, and this I think is intolerable and quite beyond the democratic process.

A situation which can even permit an opening for any government to spy on the conversations of members of parliament is not one that should be treated lightly. It may be debatable, Mr. Speaker, if this is a definite case of privilege, but I do not believe it is in any way debatable that if it is a matter that is not strictly a case of privilege, it comes very close to it, and I therefore request the Chair's consideration of this matter.

In conclusion, I would also ask the privilege of reserving the right to move a subsequent motion on this subject should such seem to be advisable, since in a democracy anything that smacks remotely of dictatorial wire-tapping, eavesdropping or spying, or which creates a situation where such things could happen, must be stopped and stopped forthwith.

Mr. Speaker: Order, please. The hon. member, of course, raises a very serious point. There have been allusions by two other hon. members of the House on previous days, the hon. member for Yukon (Mr. Nielsen) and the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), to difficulties not precisely of the same sort but similar difficulties with the technical equipment. After an assurance to the hon. member for Yukon just before the recess, I had a preliminary technical report—prepared, and I think perhaps the most advisable course might be to

share that technical information, which is of a very preliminary nature, with the three hon. members involved, to elicit their views on it and to see whether or not anything needs to be done, in consultation with the various parties of the House. There might be some consensus to carry that kind of technical investigation further, or perhaps to have the matter looked at by one of the standing committees of the House, depending on the contents of the preliminary report. If that is agreeable, perhaps the matter can be handled in that way.

Some hon. Members: Agreed.

Mr. Speaker: Order, please. The hon. Minister of National Health and Welfare (Mr. Lalonde) seeks the consent of the House to revert to the tabling of documents. Is that agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

HEALTH

TABLING OF DOCUMENT ON MERCURY CONTAMINATION

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to table a document titled: Federal measures to deal with mercury contamination, which summarizes government activity over the last years on that question.

An hon. Member: Hear, hear!

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk)

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, some 400 questions are being answered today; therefore, I thought the House would not wish any parliamentary secretary or minister to take the time of the House in listing the numbers. I would therefore ask leave of the House, in lieu of reading the list, to table it. I understand members of the opposition may want to raise later about about this list. The government will not object to that procedure, if it can take place the following day.

● (1540)

Mr. Baldwin: Mr. Speaker, it has been arranged for the whole bag, as it were, to be tabled today and if any hon. member wishes to raise an issue on a matter of privilege, he should do so tomorrow. We consent to this proceeding, but I cannot forbear pointing out that in Finland, a country with a freedom of information law, the total number of questions answered every year, both written and oral, is only 300 or 400. I point this out to my hon. friends opposite.

Mr. Sharp: Mr. Speaker, I thank the House leader of the official opposition for agreeing to this procedure, which I assure him will not be repeated frequently.

[Editor's Note: The numbers referred to above are as follows:] 1331, 1339, 1480 to 1511 inclusive, 1610 to 1662 inclusive, 1894, 1916, 2033, 2229, 2264, 2266, 2300, 2325, 2333, 2351, 2371, 2392, 2410, 2416, 2461, 2475, 2524, 2525, 2534, 2544, 2558, 2566, 2579, 2593, 2608, 2618, 2622, 2625, 2631, 2635, 2645, 2650, 2652 to 2663 inclusive, 2665 to 2669 inclusive, 2671, 2672, 2673, 2686, 2692, 2694, 2701, 2709 to 2713 inclusive, 2719, 2720, 2722 to 2739 inclusive, 2741 to 2747 inclusive, 2749 to 2753 inclusive, 2755 to 2760 inclusive, 2762, 2763, 2773, 2776, 2779, 2785, 2796, 2797, 2799, 2802, 2804, 2805, 2809, 2810, 2813, 2814, 2817, 2818, 2821, 2826, 2828, 2829, 2834, 2838, 2839, 2840, 2843, 2844, 2846, 2852, 2854, 2856 to 2862 inclusive, 2875, 2876, 2880, 2883, 2886, 2887, 2888, 2890, 2894, 2896 to 2900 inclusive, 2903, 2904, 2905, 2912, 2913, 2914, 2915, 2918, 2919, 2922 to 2927 inclusive, 2929 to 2934 inclusive, 2936, 2937, 2938, 2944, 2947 to 2955 inclusive, 2958, 2959, 2960, 2961, 2963, 2966, 2968, 2973, 2974, 2975, 2976, 2987, 2988, 2989, 2991 to 3003 inclusive, 3008, 3013, 3015, 3016, 3018 to 3023 inclusive, 3025, 3026, 3027, 3028, 3031 to 3035 inclusive, 3037, 3038, 3040, 3041, 3043, 3044, 3046 to 3050 inclusive, 3054, 3055, 3057, 3058, 3064, 3065, 3066, 3067, 3075, 3076, 3078, 3080, 3083, 3086, 3087, 3089, 3090, 3095, 3096, 3097, 3098 and 3099.

OCEAN MINING

Question No. 1,331—**Mr. Forrestall:**

What progress has been made by Canada in the area of extracting metals from the oceans, pursuant to the stimuli enunciated for same by the Minister of State for Science and Technology in the "New Oceans Policy" statement of July 12, 1973?

Hon. Mitchell Sharp (President of the Privy Council): Two of the largest Canadian companies, Noranda Mines and International Nickel Company, are already participating in international consortia with long term research programs related to nodule mining. The Canadian government is also assisting Canadian manufacturers and service companies to develop technology for exploration and production of metals from the oceans. It is estimated that cumulative government support to the end of this fiscal year will be just over $300,000.

ADVERTISING COST—DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE AND METRIC COMMISSION

Question No. 1,339—**Mr. Huntington:**

1. What was the total cost of advertising in (a) the Department of Industry, Trade and Commerce (b) the Metric Commission for the years 1972-73 and 1973-74?

2. What was the breakdown of the programmes against the total cost of advertising for these years?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Industry, Trade and Commerce, the Canadian Government Office of Tourism and the Metric Commission as follows: 1. (a) IT and C, 1972-73, $684,639; 1973-74, $531,265; C.G.O.T., 1972-73, $5,943,000; 1973-74, $6,575,100. (b) None.

2. The Department of Industry, Trade and Commerce advertising moneys were expended to support the partici-

pation of Canadian firms involved in trade fairs and missions abroad.

CONTRACT—UNIVERSITY OF GUYANA PROJECT

Question No. 1,480—**Mr. Paproski:**

1. What criteria were used to award the University of Guyana project in Guyana on June 28, 1968?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): I am informed that the Secretary of State for External Affairs has been in direct communication with the Honourable Member regarding this matter.

CONTRACT—TELECOMMUNICATIONS PROJECT IN NIGERIA

Question No. 1,481—**Mr. Paproski:**

1. What criteria were used to award the Telecommunications, Phase III, Stage II and IV project in Nigeria on November 26, 1968?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—GEOPHYSICAL SURVEY IN CAMEROUN

Question No. 1,482—**Mr. Paproski:**

1. What criteria were used to award the Geophysical Survey project in Cameroun on November 14, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day

[Mr. Sharp.]

CONTRACT—NATIONAL CADASTRAL SURVEY—MOROCCO

Question No. 1,483—**Mr. Paproski:**

1. What criteria were used to award the National Cadastral Survey project in Morocco on December 20, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—CONSTRUCTION OF UNIVERSITY BUILDINGS, UWI

Question No. 1,484—**Mr. Paproski:**

1. What criteria were used to award the Construction of University Buildings, UWI on the various islands on January 10, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—AERIAL MAPPING PROJECT IN TANZANIA

Question No. 1,485—**Mr. Paproski:**

1. What criteria were used to award the Aerial Mapping project in Tanzania on May 12, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—BELEM THERMAL PLANT ELECTROBRAS, BRAZIL

Question No. 1,486—**Mr. Paproski:**

1. What criteria were used to award the Belem Thermal Plant Electrobras project in Brazil on December 9, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ALTO ANCHICAYA HYDRO PROJECT IN COLUMBIA

Question No. 1,487—**Mr. Paproski:**

1. What criteria were used to award the Alto Anchicaya Hydro project in Columbia on May 22, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—HYDERABAD/KARACHI INTERCONNECTOR PROJECT, PAKISTAN

Question No. 1,488—**Mr. Paproski:**

1. What criteria were used to award the Hyderabad/Karachi Interconnector project in Pakistan on June 27, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—CONSTRUCTION OF BLAISE DIAGNE AND 4 CEG'S, SENEGAL

Question No. 1,489—**Mr. Paproski:**

1. What criteria were used to award the construction of Blaise Diagne and 4 CEGs in Senegal on April 24, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—BONABERI SCHOOL PROJECT IN CAMEROUN

Question No. 1,490—**Mr. Paproski:**

1. What criteria were used to award the Bonaberi School project in Cameroun on December 1, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—CYAT PROJECT IN COLUMBIA

Question No. 1,491—**Mr. Paproski:**

1. What criteria were used to award the Cyat project in Columbia on August 31, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—CIMMYT PROJECT IN MEXICO

Question No. 1,492—**Mr. Paproski:**

1. What criteria were used to award the Cimmyt project in Mexico on August 31, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

Order Paper Questions

CONTRACT—ELECTRICAL DISTRIBUTION PROJECT, TANZANIA

Question No. 1,493—**Mr. Paproski:**

1. What criteria were used to award the Electrical Distribution project in Tanzania on November 1, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ASSISTANCE TO NATIONAL POWER AUTHORITY PROJECT, NIGERIA

Question No. 1,494—**Mr. Paproski:**

1. What criteria were used to award the Assistance to National Power Authority project in Nigeria on March 1, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—EXTENSION AKOSOMBO HYDRO PROJECT, GHANA

Question No. 1,495—**Mr. Paproski:**

1. What criteria were used to award the Extension Akosombo Hydro project in Ghana on April 26, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—FOREST INVENTORY PROJECT, TANZANIA

Question No. 1,496—**Mr. Paproski:**

1. What criteria were used to award the Forest Inventory project in Tanzania on July 13, 1971?

[Mr. Sharp.]

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—SCHOOL REHABILITATION PROJECT, NIGERIA

Question No. 1,497—**Mr. Paproski:**

1. What criteria were used to award the School Rehabilitation project in Nigeria on November 4, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—TRANSMISSION LINE PROJECT, GHANA, TOGO AND DAHOMEY

Question No. 1,498—**Mr. Paproski:**

1. What criteria were used to award the Transmission Line project in Ghana-Togo Dahomey on March 5, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ROUTE DE L'UNITE PROJECT, NIGER

Question No. 1,499—**Mr. Paproski:**

1. What criteria were used to award the Route de l'Unite project in Niger on May 18, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—PRYTANEE SCHOOL PROJECT, SENEGAL

Question No. 1,500—**Mr. Paproski:**

1. What criteria were used to award the Prytanee School project in Senegal on April 14, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—SHASHE/SELEBI-PIKWE POWER STATION, BOTSWANA

Question No. 1,501—**Mr. Paproski:**

1. What criteria were used to award the Shashe/Selebi-Pikwe Power Station in Botswana on April 21, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—NATIONAL LIBRARY PROJECT, IVORY COAST

Question No. 1,502—**Mr. Paproski:**

1. What criteria were used to award the National Library project in the Ivory Coast on February 18, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—KAIROUAN PROJECT, TUNISIA

Question No. 1,503—**Mr. Paproski:**

1. What criteria were used to award the Kairouan project in Tunisia on May 5, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—IMPROVEMENT IN MANAGEMENT SERVICES PROJECT, ALGERIA

Question No. 1,504—**Mr. Paproski:**

1. What criteria were used to award the Improvement in Management Services project in Algeria on July 10, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—TRANSPORTATION STUDY, JAMAICA

Question No. 1,505—**Mr. Paproski:**

1. What criteria were used to award the Transportation Study, Phase II project in Jamaica on April 12, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—GREAT RUAHA POWER PROJECT, TANZANIA

Question No. 1,506—**Mr. Paproski:**

1. What criteria were used to award the Great Ruaha Power project in Tanzania on May 15, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—GREAT RUAHA POWER PROJECT, TANZANIA

Question No. 1,507—**Mr. Paproski:**

1. What criteria were used to award the Great Ruaha Power project in Tanzania on February 24, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—TOPOGRAPHICAL SURVEY PROJECT, TANZANIA

Question No. 1,508—**Mr. Paproski:**

1. What criteria were used to award the Topographical Survey project in Tanzania on March 9, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—HADEJIA RIVER BASIN STUDY PROJECT, NIGERIA

Question No. 1,509—**Mr. Paproski:**

1. What criteria were used to award the Hadejia River Basin Study project in Nigeria on August 13, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

[Mr. Paproski.]

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—UPLANDS SUGAR MILL PROJECT, BARBADOS

Question No. 1,510—**Mr. Paproski:**

1. What criteria were used to award the Uplands Sugar Mill project in Barbados on February 5, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—DERRO TETOUAN PROJECT, MOROCCO

Question No. 1,511—**Mr. Paproski:**

1. What criteria were used to award the Derro Tetouan project in Morocco on May 22, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—UNIVERSITY BUILDING PROJECT, UWI

Question No. 1,610—**Mr. Paproski:**

1. What criteria were used to award the University Building project in UWI on May 31, 1968?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—BLACKBURN AIRPORT PROJECT IN MONTSERRAT

Question No. 1,611—Mr. Paproski:

1. What criteria were used to award the Blackburn Airport project in Montserrat on September 13, 1968?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council):
See answer to question No. 1,480 tabled this day.

CONTRACT—TRANSMISSION LINE ROUTE STUDY PROJECT IN GHANA-TOGO DAHOMEY

Question No. 1,612—Mr. Paproski:

1. What criteria were used to award the Transmission Line Route Study project in Ghana-Togo Dahomey on October 25, 1968?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council):
See answer to question No. 1,480 tabled this day.

CONTRACT—TRANSPORTATION SURVEY PROJECT IN JAMAICA

Question No. 1,613—Mr. Paproski:

1. What criteria were used to award the Transportation Survey project in Jamaica on November 14, 1968?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council):
See answer to question No. 1,480 tabled this day.

CONTRACT—FOREST PROTECTION AND CONSERVATION PROJECT IN ALGERIA

Question No. 1,614—Mr. Paproski:

1. What criteria were used to award the Forest Protection and Conservation project in Algeria on November 29, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council):
See answer to question No. 1,480 tabled this day.

CONTRACT—AKONOLINGA BRIDGE PROJECT IN CAMEROUN

Question No. 1,615—Mr. Paproski:

1. What criteria were used to award the Akonolinga Bridge project in Cameroun on June 19, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council):
See answer to question No. 1,480 tabled this day.

CONTRACT—GEOPHYSICAL SURVEY PROJECT IN NIGER

Question No. 1,616—Mr. Paproski:

1. What criteria were used to award the Geophysical Survey project in Niger on November 14, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council):
See answer to question No. 1,480 tabled this day.

CONTRACT—COLLEGE MARIAMA PROJECT IN NIGER

Question No. 1,617—Mr. Paproski:

1. What criteria were used to award the College Mariama project in Niger on September 15, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ADVISORY SERVICES PROJECT IN FRANCOPHONE COUNTRIES

Question No. 1,618—**Mr. Paproski:**

1. What criteria were used to award the Advisory Services project in Francophone Countries on August 21, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—PARES VILLAGE SCHOOL PROJECT IN ANTIGUA

Question No. 1,619—**Mr. Paproski:**

1. What criteria were used to award the construction, Pares Village School project in Antigua, on January 10, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—GRAND BAY SCHOOL PROJECT IN DOMINICA

Question No. 1,620—**Mr. Paproski:**

1. What criteria were used to award the construction, Grand Bay School project in Dominica on January 10, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—TOPOGRAPHICAL MAPPING PROJECT IN JAMAICA

Question No. 1,621—**Mr. Paproski:**

1. What criteria were used to award the Topographical Mapping project in Jamaica on April 19, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—AERIAL MAPPING PROJECT IN KENYA

Question No. 1,622—**Mr. Paproski:**

1. What criteria were used to award the Aerial Mapping project in Kenya on October 11, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—HYDRO STUDIES, SALTO GRENADE PROJECT IN ARGENTINA

Question No. 1,623—**Mr. Paproski:**

1. What criteria were used to award the Hydro Studies, Salto Grenade project in Argentina on December 19, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ELECTRIC POWER

Question No. 1,624—**Mr. Paproski:**

1. What criteria were used to award the Electric Power Electrobras project in Brazil on July 10, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ELECTRIC POWER ELECTROBRAS NORTHEAST DISTRIBUTION PROJECT IN BRAZIL

Question No. 1,625—**Mr. Paproski:**

1. What criteria were used to award the Electric Power Electrobras Northeast Distribution project in Brazil on July 10, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—PRE-FEASIBILITY STUDIES OF ARIGUANI RIVER PROJECT IN COLUMBIA

Question No. 1,626—**Mr. Paproski:**

1. What criteria were used to award the Pre-feasibility Studies Ariguani River project in Columbia on November 3, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—PRE-FEASIBILITY STUDIES OF HYDRO ELECTRIC CENTRAL OF ALTO ANCHICAYA PROJECT IN COLUMBIA

Question No. 1,627—**Mr. Paproski:**

1. What criteria were used to award the Pre-feasibility Studies of Hydro Electric Central of Alto Anchicaya project in Colombia in February 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—TRANSMISSION, DESIGN AND SUPERVISION OF CONSTRUCTING PROJECT IN GHANA-TOGO DAHOMEY

Question No. 1,628—**Mr. Paproski:**

1. What criteria were used to award the Transmission, Design and Supervision of Constructing project in Ghana-Togo Dahomey on March 4, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—MWANZA TO OLDEANI PROJECT IN TANZANIA

Question No. 1,629—**Mr. Paproski:**

1. What criteria were used to award the Mwanza to Oldeani project in Tanzania on October 1, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—PHOSPHATE DEPOSITS PROJECT IN NIGER

Question No. 1,630—**Mr. Paproski:**

1. What criteria were used to award the Phosphate Deposits project in Niger on August 25, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Order Paper Questions

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ECONOMIC STUDIES PROJECT IN NIGER

Question No. 1,631—**Mr. Paproski:**

1. What criteria were used to award the Economic Studies project in Niger on June 19, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—GEOPHYSICAL SURVEY PROJECT IN CAMEROUN

Question No. 1,632—**Mr. Paproski:**

1. What criteria were used to award the Geophysical Survey project in Cameroun on September 24, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—KOSSOW TRANSMISSION LINE PROJECT IN IVORY COAST

Question No. 1,633—**Mr. Paproski:**

1. What criteria were used to award the Kossou Transmission Line project in Ivory Coast on June 18, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

[Mr. Paproski.]

CONTRACT—TUNIS-KORBA TRANSMISSION LINE PROJECT IN TUNISIA

Question No. 1,634—**Mr. Paproski:**

1. What criteria were used to award the Tunis-Korba Transmission Line project in Tunisia on August 5, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ANIMAL FEED STUDY PROJECT IN BARBADOS

Question No. 1,635—**Mr. Paproski:**

1. What criteria were used to award the Animal Feed Study project in Barbados on February 24, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—CONSTRUCTION OF WATER SYSTEMS PROJECT IN MONTSERRAT

Question No. 1,636—**Mr. Paproski:**

1. What criteria were used to award the Construction of Water Systems project in Montserrat on July 27, 1970?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ECN-NDA MERGER STUDY PROJECT IN NIGERIA

Question No. 1,637—**Mr. Paproski:**

1. What criteria were used to award the ECN-NDA Merger Study project in Nigeria on March 26, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—MAINLINE TRACK SURVEY PROJECT IN NIGERIA

Question No. 1,638—**Mr. Paproski:**

1. What criteria were used to award the Mainline Track Survey project in Nigeria on April 7, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ZAMBIA INSTITUTE OF TECHNOLOGY PROJECT

Question No. 1,639—**Mr. Paproski:**

1. What criteria were used to award the Zambia Institute of Technology project in Zambia on January 29, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—NIGER DAM AUTHORITY PROJECT IN NIGERIA

Question No. 1,640—**Mr. Paproski:**

1. What criteria were used to award the Niger Dam Authority project in Nigeria on February 9, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ENGINEERING AND ADVISORY SERVICES COMMUNICATION SYSTEM EXPANSION PROJECT IN EAST AFRICA

Question No. 1,641—**Mr. Paproski:**

1. What criteria were used to award the Engineering and Advisory Services Communication System Expansion project in East Africa on January 11, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—RESOURCES DEVELOPMENT STUDY PROJECT IN UGANDA

Question No. 1,642—**Mr. Paproski:**

1. What criteria were used to award the Resources Development Study project in Uganda on April 1, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—GRAIN STORAGE SURVEY PROJECT IN TANZANIA

Question No. 1,643—**Mr. Paproski:**

1. What criteria were used to award the Grain Storage Survey project in Tanzania on May 11, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Order Paper Questions

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ECONOMIC AND ADVISORY SERVICES PROJECT IN ZAMBIA

Question No. 1,644—**Mr. Paproski:**

1. What criteria were used to award the Economic and Advisory Services project in Zambia on May 21, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—NATIONAL LIBRARY PROJECT IN IVORY COAST

Question No. 1,645—**Mr. Paproski:**

1. What criteria were used to award the National Library project in Ivory Coast on March 19, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—CROP PROTECTION CENTRE PROJECT IN NIGER

Question No. 1,646—**Mr. Paproski:**

1. What criteria were used to award the Crop Protection Centre project in Niger on January 13, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

[Mr. Paproski.]

CONTRACT—ECONOMIC STUDY PROJECT IN TUNISIA

Question No. 1,647—**Mr. Paproski:**

1. What criteria were used to award the Economic Study project in Tunisia on October 4, 1971?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—SHASHE/SELEBI-PIKWE POWER STATION PROJECT IN BOTSWANA

Question No. 1,648—**Mr. Paproski:**

1. What criteria were used to award the Shashe/Selebi-Pikwe Power Station project in Botswana on March 14, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—MAKUYUNI TO MWANZA ROAD PROJECT IN TANZANIA

Question No. 1,649—**Mr. Paproski:**

1. What criteria were used to award the Makuyuni to Mwanza Road project in Tanzania on March 29, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—SHASHE/SELEBI-PIKWE POWER STATION PROJECT IN BOTSWANA

Question No. 1,650—**Mr. Paproski:**

1. What criteria were used to award the Shashe/Selebi-Pikwe Power Station project in Botswana on April 6, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—HALE KIKULETWA POWER LINE PROJECT IN TANZANIA

Question No. 1,651—**Mr. Paproski:**

1. What criteria were used to award the Hale Kikuletwa Power Line project in Tanzania on September 13, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—UWI AND MONA LIBRARY PROJECT IN UWI

Question No. 1,652—**Mr. Paproski:**

1. What criteria were used to award the UWI and Mona Library project in UWI on January 6, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—WATER AND SEWERAGE STUDY, BELIZE CITY PROJECT IN BRITISH HONDURAS

Question No. 1,653—**Mr. Paproski:**

1. What criteria were used to award the Water and Sewerage Study, Belize City project in British Honduras on April 12, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—STUDY OF BANANA INDUSTRY, PHASE III PROJECT IN DOMINICA

Question No. 1,654—**Mr. Paproski:**

1. What criteria were used to award the Study of Banana Industry, Phase III project in Dominica on October 16, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—HALE-KIKULETWA POWER LINE PROJECT IN TANZANIA

Question No. 1,655—**Mr. Paproski:**

1. What criteria were used to award the Hale-Kikuletwa Power Line project in Tanzania on May 15, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—DAR-ES-SALAAM WATER SUPPLY PROJECT IN TANZANIA

Question No. 1,656—**Mr. Paproski:**

1. What criteria were used to award the Dar-es-Salaam Water Supply project in Tanzania on February 9, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Order Paper Questions

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—UWI BUILDING FOR MANAGEMENT STUDIES PROJECT IN UWI

Question No. 1,657—**Mr. Paproski:**

1. What criteria were used to award the UWI Building for Management Studies project in UWI on February 1, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—SENA-INDERENA PROJECT IN COLOMBIA

Question No. 1,658—**Mr. Paproski:**

1. What criteria were used to award the Sena-Inderena project in Colombia on July 11, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ÉCOLE NATIONALE DE PÊCHE PROJECT IN ALGERIA

Question No. 1,659—**Mr. Paproski:**

1. What criteria were used to award the École nationale de Pêche project in Algeria on May 3, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

[Mr. Paproski.]

CONTRACT—FIELD TRAINING AND DEMONSTRATION CENTRE PROJECT IN VIETNAM

Question No. 1,660—**Mr. Paproski:**

1. What criteria were used to award the Field Training and Demonstration Centre project in Vietnam on November 15, 1972?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—ÉCOLE POLYTECHNIQUE DE THIES PROJECT IN SENEGAL

Question No. 1,661—**Mr. Paproski:**

1. What criteria were used to award the École polytechnique de Thies project in Senegal on March 2, 1973?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

CONTRACT—REFUGEE HOUSING PROJECT IN VIETNAM

Question No. 1,662—**Mr. Paproski:**

1. What criteria were used to award the Refugee Housing project in Vietnam on July 11, 1968 and August 15, 1969?

2. (a) Who was asked to submit a bid (b) who was the low bidder (c) who was the high bidder?

3. Was the low bidder awarded the contract on the job and, if not, for what reason?

4. What was the net bid?

5. Were any extras awarded and, if so, who authorized these extras and what was the purpose of these extras?

6. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

7. How many Canadians were employed on the project?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 1,480 tabled this day.

REPORT OF ROYAL COMMISSION ON SECURITY

Question No. 1,894—**Mr. Rodriguez:**

1. With respect to paragraph 301 of the Report of the Royal Commission on Security (abridged), dated June 1969 (a) what Minister, agency

or level of government determines what organizations are "subversive organizations" (b) what organizations are currently designated as subversive organizations?

2. As of March 1973, was the League for Socialist Action designated as a subversive organization?

3. Has paragraph 301 of the Report been adopted as government policy in the case of citizenship applications where it is felt there are considerations of security involved and, if not (a) has the recommendation been explicitly rejected or shelved (b) what is the current government policy on the question?

4. What were the criteria used to determine what constitutes the special "certain cases" that make the exception to the recommended policy of the recommendation?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of the Solicitor General, the Prime Minister and Privy Council offices and the Department of the Secretary of State as follows: 1. (a) With respect to paragraph 301 of the report of the Royal Commission on Security (abridged), dated June 1969, no minister, agency, or level of government declares organizations subversive. (b) See reply to part 1(a).

2. See reply to part 1(a).

3. Yes, with the exception of access to a Security Review Board. This aspect of the recommendation is under study.

4. Actual illegalities or criminal acts where proven in court. Particularly significant security reasons, e.g. intelligence operations-activities directed towards or involvement in disorder and violence.

R. G. ELLIOT

Question No. 1,916—**Mr. Cossitt:**

1. How many persons from Chile who did not possess sufficient points to be ordinarily admitted to Canada as landed immigrants have been advised or will be advised that they will be admitted with regulations waived since the date the present government of Chile took office?

2. Has the government turned down the application of Mr. R. G. Elliot of Worcester Park, Surrey, England for landed immigrant status for himself and family and, if so (a) is the government aware that this man was guaranteed employment in Calgary, Alberta and would not be a charge on the taxpayer (b) for what reason was he refused, regardless of points, when Chileans are being admitted freely?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. As of August 31, 1975, 2,096 persons were landed in Canada as a result of the special movement from Chile and 1,067 persons who have been issued immigrant visas have not yet arrived. An additional 227 persons have entered Canada as a result of events in Chile and are in the process of being landed. Of the 2,096 persons landed in Canada, slightly more than 300 were admitted through the use of discretion. In other words, these 300 persons were issued visas under the provision of subsection 4(a) of Section 32 of the Immigration Regulations. This subsection allows for the exercise of discretion by an immigration or visa officer by allowing such officer to approve the admission of an independent applicant who does not meet the selection norms if in his opinion there are good reasons why those norms do not reflect the particular applicants chances of establishing himself successfully in Canada and those reasons have been submitted in writing to, and approved by, an officer of the Department of Manpower and Immigration designated by the Minister of that Department. Particulars of those persons who have received visas but have not yet arrived and those persons in the process of being landed have not yet been tabulated.

2. Yes (a) The Department of Manpower and Immigration is aware that Mr. Elliot was offered employment in Calgary, Alberta. (b) Mr. Elliot failed to achieve the required units of assessment required by Section 32 and Schedule A of the Immigration Regulations and despite the offer of employment the immigration or visa officer found no reason for believing that the selection norms did not properly reflect Mr. Elliot's chances of establishing himself in Canada. On the other hand, in those 300 cases mentioned in part 1 of this Question where discretion was used, there were reasons to believe that because of assistance available from private agencies as well as through the use of special Government funds, the people from Chile would become successfully established in Canada.

MAN-DAYS OF WORK LOST AS A RESULT OF LAYOFFS

Question No. 2,033—**Mr. Rodriguez:**

By province, how many man-days of work were lost as a result of layoffs in (a) 1972 (b) 1973 (c) 1974 (d) January, 1975 (e) February, 1975?

Hon. John C. Munro (Minister of Labour): This department has no information regarding lay-offs.

CBC—RADIO LISTENING TIME

Question No. 2,229—**Mr. Herbert:**

Of the total radio listening time of all persons in Canada, what percentage is estimated as listening to (a) CBC radio outlets or programmes originating with CBC (b) independent radio outlets or programmes originating with these stations (c) foreign radio broadcasting?

Hon. Mitchell Sharp (President of the Privy Council): The following figures named from the Bureau of Broadcast Measurement from the most recent survey indicate the percentage of total hours weekly tuning to all English and French CBC owned and operated radio stations, on the one hand, and all foreign radio stations on the other. The results are as follows:

	Hours Tuned Weekly	Per cent of Total Weekly Tuning
CBC (English and French) owned and operated stations	20,368,700	7.1
CBC Affilicated Radio Stations' Estimated Reach of CBC	5,020,950	1.8
		8.9
Affiliated Stations' Non-CBC Programming Estimate	28,452,050	9.9
Independent Canadian Stations	224,173,100	78.3
Foreign Stations	8,212,200	2.9
Total Radio Tuning	286,227,000	100.0

Since there is a great variation in the placement of CBC network programming on affiliated independent stations, it would take considerable expenditures in order to determine the exact amount of radio listening to CBC network programming via private stations. An extrapolated guesstimate of the reach of CBC programming on affiliated stations is about 1.8 per cent so that the total listening to CBC programming is 8.9 per cent. The term "listening" in the question is not defined. Very often people use the words "total hours tuned" and "total listening" as equivalent. BBM really measures only whether a radio set is on, not whether the listener is really listening, nor to what degree he is engaged in the message being communicated. Many background music stations have high ratings, but whether anyone is really listening is a different question. The CBC on the other hand sends to present programming which by its very nature demands attention. The statistics for the CBC may therefore be deceiving: they indicate 8.9 per cent of tuning, but the CBC may well account for a much higher percentage of all engaged radio listening. There are no statistical measurements of attentive versus non-attentive listening.

POST OFFICE—AREA DISTRIBUTION CENTRE, AURORA, ONTARIO

Question No. 2,264—**Mr. Stevens:**

1. Has the government any plan to establish in Aurora an area post office distribution centre and, if so, will the new facility be operated out of the existing post office building or is it planned to construct a new building?

2. If a new building is contemplated (a) where will it be located (b) on what date will it be constructed?

Hon. Mitchell Sharp (President of the Privy Council): 1. Yes. A new building is proposed for the area.

2. (a) and (b) Not yet determined.

POST OFFICE—NEW OFFICE IN NEWMARKET, ONTARIO

Question No. 2,266—**Mr. Stevens.**

Has the government any immediate plans to build or rent a new post office in Newmarket, Ontario and (a) if so (i) on what date will tenders be called for the construction of the new building or for rental proposals (ii) what is planned for the present post office facility if it is no longer required for post office purposes (b) if not (i) will the present facility be renovated (ii) on what date is it anticipated that renovation will begin?

Hon. C. M. Drury (Minister of Public Works): Yes, Canada Post Office have requested Public Works to provide a postal processing plant in Newmarket, Ontario with a tentative occupancy date of August 1978. (a) (i) Planning for this plant is in the very early stages of development. Various alternatives will be studied to determine how this facility is to be provided and we are not in a position to establish a definite tender call date for either Crown construction or rental proposals at such an early stage of project development. (ii) The present post office facility will be retained for continued use by the Post Office and other federal government departments. (b) (i) Not applicable. (b) (ii) Not applicable.

[Mr. Sharp.]

PAYMENT OF CURRENT TAXES ON PENSION PAYMENTS

Question No. 2,300—**Mr. Herbert:**

Will consideration be given to allowing an individual to pay current taxes on payments made to compulsory pension plans, thus making the proceeds of the plan non-taxable to the individual that has pre-selected this procedure?

Hon. Mitchell Sharp (President of the Privy Council): This proposal is not under consideration since, for almost every taxpayer, it is more advantageous to obtain a deduction during the course of working life when the individual's marginal tax rate is higher, than to pay tax on income after retirement when the marginal tax rate is lower. This advantage has been considerably enchanced by the passage of $1,000 pension exemption. Under the alternative proposed, a taxpayer who utilized such a scheme would get no deduction when his personal income was higher, and would lose the benefit of the $1,000 pension deduction. He would also have lost the income earned on the deferred taxes. It should be noted that such a plan would be very difficult to administer, not only for Revenue Canada, but also for the employers and trustees of such plans, who would have to keep track of the various options made available to their employees.

POST OFFICE DEPARTMENT POSTERS

Question No. 2,325—**Mr. Beatty:**

1. What is the cost to the taxpayer of the "Make a Suggestion" series of posters used by the Post Office Department?

2. What other departments also use the posters and at what cost?

3. (a) How does the government reconcile the purchase of the posters which are printed in the US with repeated statements about the need for a large percentage of Canadian content in government purchases (b) did the government attempt unsuccessfully to get a Canadian printer to prepare similar materials before buying foreign posters?

4. Has anyone been prompted by the posters that the Post Office Department follow a "buy Canadian" policy in future?

Hon. Mitchell Sharp (President of the Privy Council): 1. 300 "Make a Suggestion" posters were purchased at 10 cents each for a total cost of $30.

2. None.

3. (a) and (b) This small purchase was not considered to be in conflict with government policy. The posters were offered through the National Association of Suggestion Systems and any reproduction of them by a Canadian printer may have been regarded as a violation of copyright.

4. The Post Office practices a "Buy Canadian" policy where practicable.

LIBERAL PARTY USE OF GOVERNMENT AIRCRAFT

Question No. 2,333—**Mr. Cossitt:**

1. Did the Prime Minister travel from Ottawa to Toronto and return in a government-owned aircraft on Friday, April 18, 1975 for purposes of addressing a Liberal Party fund raising dinner and, if so (a) what is the full description of such aircraft (b) what is the cost per hour of keeping such an aircraft in the air (c) what are the names and addresses of all persons on board the aircraft at any time during the trip?

2. Will the government bill the Liberal Party of Canada for the entire cost of the trip and (a) if so, what will be the amount of the bill (b) if not, for what reason?

Cabinet Ministers and members of their families, to political gatherings sponsored by the Liberal Party (b) will this policy continue in the future and (i) if so, what are all justifications for such expenditure of taxpayers' money for political purposes (ii) if not, will this practice cease immediately?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Transport and the Prime Minister's and Privy Council offices as follows: 1 An MOT aircraft was used to transport the Prime Minister and his party to Toronto and return. (a) Vickers Viscount—CF-GXK (b) $500 per hour (c) See following list

Passengers – Ottawa-Toronto

Name	Affiliation
Rt. Hon. P. E. Trudeau	Prime Minister
Hon. D. Macdonald	Minister, Energy, Mines and Resources
Mrs. D. Macdonald	
Mrs. E. Teitelbaum	Energy, Mines and Resources
Mr. R. Murdock	Prime Minister's Office
Mr. C. Kennedy	Prime Minister's Office
Mr. P. McGuire	Prime Minister's Office
Mr. A. Donnelly	Prime Minister's Office
Hon. A. Gillespie	Minister, Industry Trade and Commerce
Mrs. A. Gillespie	
Mr. M. Copeland	Indian Affairs
Hon. M. Sharp	President, Privy Council
Mrs. B. Danson	Wife, Minister of Urban Affairs
Hon. E. Whelan	Minister of Agriculture
Mr. J. Moore	Prime Minister's Office
Miss Mary Macdonald	Prime Minister's Office
Mr. C. Graham	Guest

Passengers – Toronto-Ottawa

Name	Affiliation
Rt. Hon. P. E. Trudeau	Prime Minister
Mrs. P. E. Trudeau	
Miss J. Sinclair	Guest
Mr. R. Murdock	Prime Minister's Office
Mr. C. Kenny	Prime Minister's Office
Mr. P. McGuire	Prime Minister's Office
Mr. A. Donnelly	Prime Minister's Office
Mr. J. Moore	Prime Minister's Office
Mr. M. Copeland	Indian Affairs
Hon. R. Andras	Minister of Manpower and Immigration
Mr. R. Errington	Manpower and Immigration
Hon. J. Buchanan	Minister, Indian Affairs and Northern Development

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NOTE: The title has been substituted.

2. No. (a) Not applicable. (b) The Prime Minister travels in government owned aircraft as a matter of policy in order to minimize inconvenience to the travelling public and for security reasons.

3. (a) See part 2 (b), (b) Yes. (i) See part 2 (b). (ii) Not applicable.

ABORTIONS

Question No. 2,351—Mr. Beatty:

For each year since 1972, by province, how many fetuses were aborted at (a) 21 weeks or over (b) 13 weeks or over?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada reports: The number of fetuses aborted (therepeutic abortions) reported by the Yukon and the provinces is shown below:

Province/Area of Residence	Total No. of Therapeutic Abortions (1)		Total No. of Reported Therapeutic Abortions (2)		20 Weeks or over		13 Weeks or over	
	1972	1973	1972	1973	1972	1973	1972	1973
All Areas	38,853(3)	43,201(4)	6.382	11.249	94	171	2,107	3.498
Newfoundland	133	193	133	193	1	7	41	64
Prince Edward Island	45	41	45	41	1	0	14	10
Nova Scotia	837	932	*	932	*	32	*	292
New Brunswick	183	341	183	341	1	1	70	104
Quebec	2.847	3,141	*	3,141	*	34	*	1,082
Ontario	20,272	22,603	*	*	*	*	*	*
Manitoba	1,178	1,259	1,178	1,259	12	25	468	510
Saskatchewan	1,043	1,219	1,043	1,219	10	8	327	298
Alberta	3,887	4,047	3,752	4,047	69	64	1,179	1,120
British Columbia	8,179	9,176	*	*	*	*	*	*
Yukon	48	76	48	76	0	0	8	18
Northwest Territories	44	51						

Note: * Information on gestation not reported by the province.

(1) These figures represent simple counts of the number of therapeutic abortions reported by the ten provinces and Yukon.

(2) These figures represent the number of abortions for which demographic and medical information about patients who received therapeutic abortions is available.

(3) Province of residence is not known for 157 therapeutic abortion cases. These 157 cases are included in figures for "All Areas" but cannot be included in the figures or individual provinces.

(4) Province of residence is not known or 122 cases and cannot be included in the figures for individual provinces.

Order Paper Questions

LANGUAGE TRAINING

Question No. 2,371—**Mr. Cossitt:**

1. Have any persons who are not members of the Public Service taken English or French language training courses that have been paid for directly or indirectly by the government at the Berlitz School of Languages in Ottawa during the past four years and, if so (a) how many have taken French courses (b) how many have taken English courses (c) what is the total expense of public funds involved (d) what are the names and addresses of all such persons (e) what is the justification for this expense of public funds on persons who are not members of the Public Service?

2. In each case, is the individual related to a member of the Public Service and, if so, to whom?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) 5; (b) 4; (c) and (d) Mrs. R. Poirier, $1,324.80, Winnipeg; Mrs. M. Nunas, $1,325.00, Winnipeg; Mrs. H. Nethersole, $1,681.45, Sherbrooke; Mrs. W. Dean, $1,324.80, Vancouver; Mrs. K. Prescott, $365.70, Sydney; Mrs. M. Plamondon, $1,612.00, Montréal; Mrs. M. Leblanc, $2,391.26, Trois-Rivières; Mrs. S. Breton, $1,444.80, Montréal; Mrs. J. Simard, $1,204.00, Hamilton. (e) The main objective of the Bicultural Exchange Program is to promote bilingualism in the Department by offering a certain number of employees the opportunity to work in a region where the other language and culture prevail. The transfers are for a two-year period.

2. The names listed above refer to the wives of employees who have taken part in the departmental Bicultural Exchange Programmes.

In so far as the Department of the Secretary of State is concerned: 1. (a) One, (b) None, (c) $894.00, (d) David P. Ross, Special Assistant to the Secretary of State, Lord Elgin Plaza. (e) Exempt staff. Not eligible for Language Courses offered by the P.S.C.

2. Not relevant. David Ross is a member of the minister's staff.

Nil returns have been submitted by all other departments and agencies.

NUMBER OF PEOPLE OF MEXICAN ORIGIN GIVEN SPECIAL PERMISSION TO WORK AT BANFF

Question No. 2,392—**Mr. Reynolds:**

1. How many people of Mexican origin were given special permission to enter Canada to work at the Banff Springs Hotel?

2. What (a) jobs do they hold (b) is their rate of pay?

3. What was the (a) unemployment percentage (b) number of unemployed in Canada in the month they were allowed in?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Manpower and Immigration and Statistics Canada as follows: 1. 50.

2. (a) positions held	(b) rate of pay
Waiters and Waitresses – 29	2.25 per hour
Chambermaids – 21	2.35 per hour

3. The unemploment rate and the number of unemployed persons for the months of August and September 1974 are as follows:

	Per Cent	Number ('000)
August	4.4	447
September	4.5	431

PRESCRIPTION DRUGS

Question No. 2,410—**Mr. Orlikow:**

1. In each of the past five years (a) what was the total number of violations under section 9(1) of the Food and Drug Act in respect to advertising of prescription drugs (b) which companies and drug products were involved?

2. What was the dollar value at the retail level of prescription drugs in Canada in each of the past five years?

3. Has the Department of National Health and Welfare copies of any letters sent by Upjohn Company to doctors regarding the dangers of the drug clindamycin?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) None. In those cases where a complaint arose, discussions were immediately held with the company concerned and action to correct the advertisement was taken. In no instance was it necessary to go beyond this step to initiate legal proceedings. (b) Not applicable.

2. The health protection branch of the Department of National Health and Welfare does have accurate data, for the years subsequent to 1968, but such data has been obtained through a contract with a private survey firm, whose policy, as stated in the contract, prevents disclosure of this information to the public at large.

3. Yes. The Department of National Health and Welfare has copies of two letters sent by the Upjohn Company to Canadian physicians.

SPEECHES OF MINISTER OF NATIONAL HEALTH AND WELFARE

Question No. 2,416—**Mr. Cossitt:**

Since becoming Minister of National Health and Welfare, how many of his speeches has the present Minister had printed at public expense and distributed to various persons (a) to how many persons was each distributed (b) what was the approximate cost of each distribution (c) what is the total estimated cost to date of all distributions that have taken place?

Hon. Mitchell Sharp (President of the Privy Council): Since appointment, the Minister of National Health and Welfare has delivered 67 speeches in accordance with the right of the public to be informed of government policy, and arising from the role of government to sensitize the public to particular concerns (e.g., the need for healthier lifestyles, the changing perception of women in Canadian society, etc.). The speeches were made on various occasions such as national and international conferences, and federal-provincial conferences, and in response to numer-

ous requests from associations, voluntary organizations, community groups, etc. in the health and welfare field. (a) 4,223 (including members of parliament, senators, provincial governments, various associations and organizations, news media, the general public upon request, etc.), (b) $1,638 (including printing and distribution costs), (c) $109,746 (including printing and distribution costs).

MILK

Question No. 2,461—**Mr. Mitges:**

Have charges been laid against producers who prematurely shipped milk or livestock for human consumption before the time allotted for antibiotics to pass through the animals and, if so, in how many cases, for each year 1971, 1972, 1973 and 1974?

Hon. Mitchell Sharp (President of the Privy Council): No. In addition to the responsibilities of the health protection branch, most provinces have an active inspection program in which each milk producer has his product tested, on a regular basis, for the presence of antibiotics. Violators are subject to disciplinary action under such programs.

EXPENDITURES OF NATIONAL HARBOURS BOARD

Question No. 2,475—**Mr. Forrestall:**

1. Since April 1, 1965, what has been the dollar level of government expenditures by way of loan, advance, cash outlay, resource expenditure of any type or any other method or financial arrangement whatsoever through the (a) Minister of Transport (b) Department of Transport (c) Department of Public Works (d) National Harbours Board (e) any other department or agency of government related to marine affairs, exclusive of National Defence, on (i) harbour development and port facilities in the National Harbours Board ports in the St. Lawrence River east of and including the Port of Montreal (ii) channel dredging inside or outside of all NHB ports in the St. Lawrence River east of and including the Port of Montreal and in the River (iii) employer associations in the NHB ports on the St. Lawrence River east of and including the Port of Montreal for use by the associations in the ports in paying their employees?

2. Since April 1, 1965 to date, and in each case in Part 1, what has been the dollar level of government expenditures for the Port of Halifax-Dartmouth?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by several departments as follows: 1. (a and b) (i) Not applicable. (ii) Approximately $58.5 million. (iii) $6,011,044 has been loaned to employer associations as of May 28, 1975. (c) (i) Nil. (ii) 12,490,932. (iii) Nil. (d) (i) The National Harbours Board has incurred capital expenditures in harbour development and port facilities in the National Harbours Board ports in the St. Lawrence River east of and including the port of Montreal since April 1, 1965, as follows: Montreal, $48,266,993; Trois-Rivières, $895,757; Quebec, $15,992,238. These projects have been financed by loans from the government of Canada or by utilizing the NHB's own funds. (ii) Nil. (iii) $1,079,582. (e) (i) Nil. (ii) Nil. (iii) Nil.

2. (a and b) (i) Nil. (ii) Nil. (iii) Nil. (c) (i) $136,000; (ii) $12,000; (iii) Nil. (d) (i) The National Harbours Board has incurred capital expenditures in harbour development and port facilities in the port of Halifax-Dartmouth since April 1, 1965 of $23,771,891. These projects have been financed by loans from the government of Canada or by utilizing the NHB's own funds. (ii) Nil. (iii) Nil. (e) (i) Nil; (ii) Nil; (iii) Nil.

HERBERT BRUNE CONSTRUCTION LTD.

Question No. 2,524—**Mr. Cossitt:**

1. With reference to the answer to Question No. 1,685 which among other things listed four contracts awarded Herbert Brune Construction Ltd. following invited tenders by the Department of Public Works (a) what is the identity of all those involved in compiling the list of those invited to tender (b) were any names of those invited to tender recommended or furnished by, or requested from Liberal Members of Parliament or by any Liberal Party executives (c) do the names of those invited to tender constitute a political patronage list?

2. Is Herbert Brune Construction Ltd. the same company presently engaged in construction of a swimming pool at the Prime Minister's official residence, 24 Sussex Drive?

Hon C. M. Drury (Minister of Public Works): 1 (a) No one individual is involved in compiling the list of contractors invited to tender on specific works. A selection is made from an index of competent contractors for every job. All contractors have the opportunity of being included on the index by signifying their interest to the department. The index is used for works valued up to $5,000. Above this amount, works are publicly tendered. For every job, five contractors' names are selected. These five contractors' names will not be selected again until all other competent firms on the index have had the opportunity to tender. (b) No. (c) No.

2. Yes.

HERBERT BRUNE CONSTRUCTION LTD.

Question No. 2,525—**Mr. Cossitt:**

1. With reference to the answer to Question No. 1,685 which among other things listed thirty-five contracts awarded, without tender calls, by work order issued directly by the Department of Public Works to Herbert Brune Construction Ltd. (a) what are the names of all those in any way recommending use of this construction company to the government for such work (b) does the Department of Public Works maintain a political patronage list for contracts of this kind?

2. Did the Department of Public Works recommend Herbert Brune Construction Ltd. to be used to construct the swimming pool at the Prime Minister's official residence, 24 Sussex Drive and, if so (a) to whom and on what date did it make such a recommendation (b) what are the names and job designations of all persons making such a recommendation?

Hon C. M. Drury (Minister of Public Works): 1 (a) No one individual is involved in recommending the use of contractors for minor works. A selection is made from an index of competent contractors for every individual job. All contractors have the opportunity of being included on the index by signifying their interest to the department. The index is used for works valued up to $5,000. Above this amount, works are publicly tendered. For every job, five contractors' names are selected. These five contractors' names will not be selected again until all other competent firms on the list have had the opportunity to tender. (b) No.

2. No. (a) Not applicable. (b) Not applicable.

UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENT

Question No. 2,534—**Mr. Clark (Rocky Mountain):**

1. What groups (a) in Canada (b) outside Canada have received invitations from the government to submit proposals for demonstration projects for the United Nations Conference on Human Settlement?

2. (a) Who was responsible for issuing such invitations on behalf of the government (b) what criteria were followed in choosing the groups to whom invitations were issued?

3. By province (a) how many groups were invited to submit proposals (b) how many groups had submitted proposals as of May 20, 1975 (c) how many and which proposals were accepted by May 20, 1975 (d) what is the purpose of each proposal and, in each case, what amount of financial support was promised?

4. What is the total amount of money the government intends to spend for (a) encouragement or support of demonstration projects (i) in Canada (ii) outside Canada (b) administration of the encouragement and selection of demonstration projects (c) administration of Canadian participation in the United Nations Conference on Human Settlement (d) hosting the United Nations Conference on Human Settlement (e) other specific costs in connection with the Conference?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of State for Urban Affairs and the Department of External Affairs as follows: 1 (a) Province of Manitoba, province of Ontario and the greater Vancouver regional district. (b) None

2. (a) The Canadian Participation Secretariat. (b) It is the intention of the Canadian Participation Secretariat to present four films at Habitat. It was felt the province of Manitoba's "Leaf Rapids" and "The Stay Option" projects, the province of Ontario's "Management of Growth in the Toronto Urban Region" project and the greater Vancouver regional district's "Livable Region Program" might be particularly relevant to the production of these films. These groups were therefore invited to submit proposals.

3. (a) Newfoundland 0; Nova Scotia 0; New Brunswick 0; Prince Edward Island 0; Quebec 0; Ontario 1; Manitoba 2; Saskatchewan 0; Alberta 0; British Columbia 1. (b) On July 3, the date of the suspension of the program, the number of proposals from each province was as follows: Newfoundland, 3; Nova Scotia, 4; New Brunswick, 4; Prince Edward Island, 2; Quebec, 26; Ontario, 51; Manitoba, 10; Saskatchewan, 6; Alberta, 10; British Columbia, 61; Northwest Territories, 0; Federal Government, 10. (c) On May 20, 1975, fourteen proposals had been designated by the Minister of State for Urban Affairs as urban demonstration projects. (d) An Ark for P.E.I., $354,000; Land Registration and Information Service, $100,000; Mirabel Area Planning, $48,000; Appropriate Energy and Building Systems for Housing Quebec Indians, $120,000; Provident House, $90,000; Solar House, $61,000; A Solar Heating System for the Present, $11,000: Leaf Rapids, $34,000; The Stay Option, $38,000; Constant Module, $73,000; The Blood Tribe 1964-1974, $45,000; Package Reservoir, $70,000; Livable Region Program, $33,000; Turn Down Traffic Volume, $500,000.

4. (a) (i) $1,827,000. (ii) Nil (b) Administration of CUDP was not funded as a separate item in the MSUA estimates. However, costs directly attributable to administration of the program between March 1974 and May 1975 total approximately $60,000. (c) Approved estimates for the Canadian Participation Secretariat total $3.8 million. (d) $5,100,000. (e) Treasury Board has not approved money specifically for conference preparations other than the amounts noted above.

NOTE: Habitat Preparations and the Canadian Urban Demonstration Program are separate activities in both concept and budget. Canada is preparing four audio-visual presentations for HABITAT and will include in them, where appropriate, material that derives from certain CUDP projects. Selection of projects for the CUDP was independent of the selection of material for the Habitat films. The budget for the films is administered by the Canadian Participation Secretariat while funding for urban demonstration projects was a cross-government activity.

[Mr. Clark (Rocky Mountain).]

LIMITATION OF ADVERTISING IN CANADA

Question No. 2544—**Mr. Clark (Rocky Mountain):**

As of May 20, 1975, was any group of federal officials meeting regularly with provincial officials to discuss any form of limitation of (a) magazine (b) newspaper (c) radio (d) television advertising in Canada, or by media entering Canada and, if so (i) what departments or agencies were involved (ii) what provinces were involved (iii) what was the purpose of the discussions (iv) on what date did the discussions begin (v) on what date is it anticipated the discussions will conclude (vi) to what federal agency or Minister will the group make recommendations (vii) will any such recommendations be made public immediately (viii) what is the extent of consultation with representatives of the media (ix) what are the terms of reference of any such discussion?

Hon. Mitchell Sharp (President of Privy Council): (a) No; (b) No; (c) and (d) Since June 12, 1974 The Canadian Radio-Television Commission has been holding meetings with various federal and provincial officials to consider the question of beer, wine and cider radio and television advertising. (i) The CRTC has been in contact with the Canadian Association of Provincial Liquor Commissioners, the federal Department of Health and Welfare, the Chairmen or Presidents of Liquor Control Boards or Corporations and Provincial Ministers responsible for the Liquor Control Boards. (ii) Representatives from all the provinces were involved. (iii) The purpose of the discussion was to develop uniform standards for beer, wine and cider broadcast advertising. (iv) Discussions began on June 12, 1974. (v) Discussions are expected to conclude in autumn, 1975. (vi) The results of the consultation will be made known to the federal Department of Health and Welfare and the CRTC. (vii) Recommendations will be made public as soon as there is agreement among the provincial and federal authorities concerned. (viii) After consulting with the above-mentioned governmental representatives, further discussion will take place with broadcasters and the industry. (ix) The terms of reference for such discussion are:

1. Section 16. (1) (b) (ii) of the broadcasting Act: "16. (1) In furtherance of its objects, the Commission, on the recommendation of the Executive Committee, may (b) make regulations applicable to all persons holding broadcasting licences, or to all persons holding broadcasting licences of one or more classes. (ii) respecting the character of advertising and the amount of time that may be devoted to advertising."

2. Section 10 of the Television Broadcasting Regulations, of the Radio (AM) and (FM) Broadcasting Regulations: "Spirituous Liquors, Beer, Wine and Cider 10. (1) Subject to subsection (2), no station or network operator shall broadcast any commercial message (a) advertising, directly or indirectly, any spirituous liquor or any beer, wine or cider; or (b) sponsored by or on behalf of any person whose principal business is the manufacture or sale of spirituous liquor, beer, wine or cider. (2) Where in any

province the advertising of beer, wine or cider is permitted, a commercial message sponsored by a brewery, winery or cider-house may be broadcast in that province subject to the following conditions: (a) the advertising shall not be designed to promote the general use of beer, wine or cider, but this prohibition shall not be construed so as to prevent industry, institutional, public service or brand preference advertising; (b) no commercial message shall exceed sixty seconds in duration: (c) no device and no commercial message, other than a commercial message allowed under this subsection, shall be used to advertise, directly or indirectly, the sponsor or his product; and (d) no commercial message shall be broadcast unless it is approved by a representative of the Commission prior to broadcast. (3) For the purpose of determining whether a commercial message may be broadcast in a province pursuant to subsection (2), "cider" means cider that is considered to be an alcoholic beverage by the law of the province relating to the advertising of cider."

3. Relevant regulations promulgated under provisions of provincial liquor Control Acts. Nil returns have been submitted by several concerned departments.

DEPARTMENT OF COMMUNICATIONS—COST OF LANGUAGE TRAINING

Question No. 2,558—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of Communications for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. Mitchell Sharp (President of the Privy Council):
1. $363,000.

2. (a) Not applicable; (b) $290,000; (c) $60,000; (d) $13,000.

DEPARTMENT OF JUSTICE—LANGUAGE TRAINING

Question No. 2,566—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of Justice for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Hon. Mitchell Sharp (President of the Privy Council):
1. $1,158,000 (estimated costs, including estimated salaries of personnel receiving instruction).

2. (a) $453,000. (b) and (c) $651,000, which covers meals and lodging, classrooms, instructors' salaries and transportation, course materials and socio-cultural events. No cost breakdown was included in the contract with the Public Service Commission for these areas. (d) $54,000 (travel).

Order Paper Questions

DEPARTMENT OF THE SOLICITOR GENERAL—LANGUAGE TRAINING

Question No. 2,579—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Department of the Solicitor General for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

3. Are such costs recorded separately for members of the RCMP?

Hon. Mitchell Sharp (President of the Privy Council):
1. $433,052.

2.

	Canadian Penitentiary Service	National Parole Board & Service	Ministry Secretariat	Royal Canadian Mounted Police
(a)	N/A	N/A	N/A	N/A
(b)	N/A	N/A	N/A	N/A
(c)	Nil	Nil	Nil	Nil
(d)	$210,000	$43,000	$44,000	$136,052

3. Yes.

AIR CANADA—SUBSIDIZATION

Question No. 2,593—**Mr. Mazankowski:**

1. Since 1965, what was Air Canada's profit or loss on (a) the Toronto-Ottawa-Montreal routes (b) the Prairie routes with links to Toronto and Vancouver (c) the Maritime routes?

2. Did CTC hearings show last year that the Prairie routes subsidized the Toronto-Ottawa-Montreal routes and, if so, what is Air Canada's rationale for allowing this to happen?

3. Does Air Canada plan to continue such subsidization in the future?

4. In order to eliminate such subsidization, does Air Canada plan (a) to raise the air fares on its Toronto-Ottawa-Montreal routes (b) to reduce the number of short-haul flights?

Hon. Mitchell Sharp (President of the Privy Council):
The management of Air Canada advises as follows: 1.(a), (b), (c) This information is considered to be proprietary. To release this kind of information while other airlines are not required to do so would jeopardize Air Canada's competitive position both on existing or potential operations.

2. No.

3. Not applicable.

4. (a), (b) Not applicable.

DISCONTINUANCE OF NATIONAL FILM BOARD PROGRAMME "CHALLENGE FOR CHANGE"

Question No. 2,608—**Mr. Clark (Rocky Mountain):**

1. Is it the intention of the government to (a) discontinue the National Film Board Programme *Challenge for Change* and, if so (i) on what date (ii) for what reason (b) significantly change the Programme and, if so (i) in what way (ii) on what date (iii) for what reason?

2. Was a report prepared recently, by or on behalf of the government, respecting the future of the Programme and, if so (a) by whom (b) for

what reason (c) to whom was it submitted (d) was the Privy Council Office involved and, if so, in what specific way and for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. (a) No. Following a successful initial five year phase, the government has approved the Challenge for Change program for an additional three year. (i) Not applicable. (ii) Not applicable. (b). No. (i) Not applicable. (ii) Not applicable. (iii) Not applicable.

2. (a), (b), (c) and (d). In the light of the expiration of the mandate of the program, and after consultation with the member departments of the Challenge for Change Interdepartmental Committee, the Secretary of State prepared a report and submitted it to cabinet. As a member of the Interdepartmental Committee, the Privy Council office participated in these consultations, and with the agreement of the other departmental members and the National Film Board, an official of the Privy Council office serves as chairman of the Challenge for Change Interdepartmental Committee, as has been the case since the beginning of the program.

CONTRAVENTION OF CANADA SHIPPING ACT

Question No. 2,618—**Mr. Forrestall:**

1. Did the Chief of Operations, Department of National Revenue, Customs and Excise, in the District Port of Vancouver in an affidavit on June 21, 1973, relating to an action in the Supreme Court of British Columbia state, that according to section 663(2) of the Canada Shipping Act a foreign ship (non-Canadian and non-British registry) which loads passengers at one Canadian port and proceeds by way of another Canadian port to a foreign port does not contravene the Act and, if so (a) does this represent government policy (b) is it applicable to all ports in Canada, and, if not, on what date was it altered, mitigated or rescinded (c) does the Minister of Transport concur in the statement?

2. Will the Minister review the statement and, if not, for what reason?

3. In what way does the Minister view the manning of foreign ships loading passengers at one Canadian port and proceeding by way of another Canadian port to a foreign port with Indonesian and other non-Canadian nationality crews?

4. Does the Minister have any estimate or approximation of the number of Canadian seamen who have been deprived of employment by the practice outlined in the affidavit and (a) if so, what is the estimate or approximation (b) if not, for what reason?

5. What steps is the Minister and the government contemplating to rectify the situation whereby Canadian seamen are being displaced by foreign crews in cases such as outlined in Parts (1) and (3)?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Revenue and Transport as follows: 1. Yes. (a) Yes. (b) Yes. (c) As the affidavit involved only a statement of the statutory provisions affecting the situation, ministerial concurrence was not required.

2. The affidavit was filed in the Supreme Court of British Columbia by the owners of the vessel and, as the department does not have a copy, it has not been reviewed by the Minister of National Revenue.

3. The manning of foreign ships engaged in international voyages is subject to the law of the flag state.

NOTE: While the Canada Shipping Act comes under the purview of the Minister of Transport, the provisions of Part XV are administered by the Department of National Revenue (Customs and Excise).

[Mr. Clark (Rocky Mountain).]

4. No. Canadian seamen have the opportunity of employment but their employment on international voyages is not mandatory for the reason given in 3 above. The Ministry of Transport does not keep records showing the nationality of seamen in vessels of foreign registry.

5. See answers 3 and 4.

COST OF STRIKE AT CHARLES DE GAULLE AIRPORT, PARIS, TO AIR CANADA

Question No. 2,622—**Mr. MacKay:**

Will the Minister of Transport provide the figures of the cost of the strike at Charles de Gaulle International Airport in Paris, France, by Air Canada employees with regard to loss of revenues and extra expenses incurred by the airline in other arrangements being made for passengers?

Hon. Mitchell Sharp (President of the Privy Council): The management of Air Canada advises as follows: The immediate cost of the strike is estimated to be approximately $350,000.

DREE—RAPP LUMBER PRODUCTS

Question No. 2,625—**Mr. Beatty:**

1. With respect to the incentive offer of $172,050 made in August 1972 by DREE to Rapp Lumber Products in Pembroke, Ontario, what was the reason for the grant when the market for its produce was already being adequately served by other firms in Ontario?

2. Does the government intend to recover the money given to Rapp Lumber Products as the Company had indicated to the government that its entire output would be destined for export markets?

3. Does the government intend to compensate other manufacturers in Ontario for the damage done to their domestic sales by the oversaturation of the market resulting from the opening of the new facility?

Hon. Mitchell Sharp (President of the Privy Council): The reply for the Department of Regional Economic Expansion is as follows: 1. The incentive offered to Rapp Package (Canada) Inc. was designed to create new employment in the Pembroke area, which had been designated for special action by DREE to stimulate economic development. The department's evaluation of the project indicated that it would not create serious problems for existing Canadian companies manufacturing similar products because its output was destined for U.S. markets. The company's production was, in fact, initially exported to the U.S. until changes in economic and other circumstances required it to enter the Canadian market. It is understood that the company is actively investigating ways to regain its position in the U.S. market.

2. It was not a condition of the department's offer that the company had to export all of its production to the U.S. Consequently, the department is not aware of any grounds on which it could seek recovery of the incentive.

3. There is no legislative basis on which the department could provide such compensation.

AIR CANADA—AVERAGE STAGE LENGTH OF ROUTE STRUCTURE

Question No. 2,631—**Mr. Mazankowski:**

1. What is the average stage length in miles of Air Canada's route structure?

2. What are the comparative figures for (a) CP Air (b) Delta Airlines (c) Northwest Airlines (d) Braniff Airlines (e) Pan American Airlines (f) Western Airlines (g) Eastern Airlines (h) American Airlines?

Hon. Mitchell Sharp (President of the Privy Council): 1. Average stage length scheduled flights total systems. Airline, Air Canada; miles, 563.

2. Average stage length scheduled flights total systems.

	Airline	Miles
*(a)	Canadian Pacific	933
**(b)	Delta	425.8
**(c)	North West	631.7
**(d)	Braniff	524.4
**(e)	Pan American	1347.2
**(f)	Western	595.4
**(g)	Eastern	511.1
**(h)	American	775.8

*Period given for Canadian airlines is the calendar year 1974.
**Period given for U.S.A. airlines is the 12 month period ending 30 September 1974.

FEDERAL PETROLEUM PRODUCT ALLOCATION

Question No. 2,635—**Mr. Mazankowski:**

1. Has the draft federal petroleum product allocation plan been approved by Cabinet?

2. What criteria were used in determining who was placed in the "critical", "essential" and "non-essential" categories?

3. Were farmers and the food processing industry placed in the "critical" category and trucking placed in the "essential" category and, if so, for what reasons?

4. Does the government plan to upgrade trucking into the "critical" category since the industry transports much of the farmers' products to the food processing industries and, if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): The Energy Supplies Allocation reports as follows: 1. The draft petroleum products allocation plan has not been specifically approved by the cabinet, nor is there any requirement that it be so approved. However, the plan was discussed with all interested departments and agencies of government and received the approval of their officials.

2. To determine the wholesale customers belonging to the critical category the following criteria were used: the maintenance of health and basic essentials to life; and the protection of individuals and their property. The following criterion was used to determine those wholesale customers who belong in the essential category: the maintenance of the viability of the Canadian economy. The following criterion was used to determine those wholesale customers belonging to the non-essential category: the maintenance of the standard of living enjoyed in Canada.

3. With respect to propulsion products, i.e. motor gasoline and diesel fuel, farmers were placed in the critical category. The food processing industry was placed in the critical category with respect to heating oils required to process food. The trucking industry was placed in the essential category with respect to propulsion products. The critical need for propulsion for farmers in sowing and harvesting crops is obvious. The same can be said for the need for heat for food processing, a need which must be met promptly and continuously if food is to be available to Canada's population. The same cannot be said for the trucking industry as a whole. It is recognized that trucks carry products of a critical nature, but they also carry products considered non-essential, such as toys, furniture, automobile parts, etc.

4. The government does not intend to upgrade the trucking industry to the critical category. Provisions are made in the program for the petroleum industry to supply additional products to those customers in the essential category on an emergency basis. All such deliveries are subject to post facto audits to determine if the wholesale customer in fact needed the additional product. Obviously trucking firms that deal solely with products of the critical category will be similarly treated in terms of fuel supply but it cannot be assumed that since some products they carry are critical, all truckers should be considered critical.

BUDGET FOR 1975-76 OF THE FEDERAL EDUCATION TECHNOLOGY PROGRAMME

Question No. 2,645—**Mr. O'Sullivan:**

1. What is the budget for the fiscal year 1975-76 of the Federal Educational Technology Programme of the Department of Communications?

2. How many public servants work in connection with the Programme?

3. Which provinces have signed agreements in connection with the Programme and, in each case, what are the provisions of such agreements?

4. What are the names and locations of institutions which have received funding under the Programme and, in each case, what was the amount?

Hon. Mitchell Sharp (President of the Privy Council): 1. $330,000 (April 1, 1975 to September 30, 1975)

2. Fifteen full time public servants.

3. The Provinces of Nova Scotia, Alberta, Newfoundland and the Maritime Provinces jointly, have signed agreements in connection with the Program. Brief summaries of these are given below. Alberta: On March 18, 1974 an agreement was concluded for a joint program activity to evaluate a range of audio-visual equipment both in the laboratory of the National Film Board and in the schools of the province. This activity tested some 12 new types of audio-visual equipment including video tape recorders and film strip players, and has led to the production under a single cover, of a report which correlates the technological evaluations of these equipment with their educational use. The activities now have been concluded. Nova Scotia: Nova Scotia on March 6, 1974 concluded an agreement with the Federal Government for a joint program that would contribute to the formulation of a comprehensive educational technology plan for Nova Scotia. This agreement was for a multi-phased series of studies with a commitment to undertake only the first phase. The first phase was completed in March, 1975. Newfoundland: Newfoundland and Labrador concluded an agreement on October 3, 1975 for a joint program of studies with the Federal Government to study educational computing in the province. This study, which has now been completed, has provided a detailed cost and technical evaluation for vari-

ous systems that could satisfy the educational computing needs of provincial high schools. These results have been incorporated into the Newfoundland Task Force study on future computer usage in the Province. Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador: since the 22 of July 1974 have been participating along with the Maritime Provinces Higher Education Commission, the Association of Atlantic Universities and Federal Government in a multiphased joint program of studies to develop a plan that will permit the sharing of Atlantic Universities computing resources. The first phase of the program will be completed by September, 1975.

4. None.

GRANTS TO PARTIES IN CUBA FOR CONSTRUCTION OF FISHING PROCESSING PLANT

Question No. 2,650—**Mr. Herbert:**

1. What monies and under what terms has any grant been either committed or paid to parties in Cuba for the construction of a fish processing plant?

2. Have representations been received from the Canadian fishing industry concerning such a grant and does the government foresee any affect on the Canadian fishing industry?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Export Development Corporation is concerned: 1. It has not committed or paid a grant to parties in Cuba for the construction of a fish processing plant.

2. No.

DEPARTMENT OF AGRICULTURE—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,652—**Mr. Clark (Rocky Mountain):**

1. In which buildings within the National Capital Region does the Department of Agriculture presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Agriculture

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Bank of Nova Scotia 427 Preston Street Ottawa, Ontario	$ 1,409	10 yrs.	24/7/73	1/7/73	29/6/73
Beach Foundry 77 Spencer Street Ottawa, Ontario	$ 1,196	2 yrs.	22/7/74	1/12/74	20/11/72*
Sieveright 1501 Sieveright Road Ottawa, Ontario	$ 15	5 yrs.	23/5/74	1/3/74	4/2/74
Can Labour Congress 2841 Riverside Drive Ottawa, Ontario	$ 648	10 yrs.	14/1/74	1/11/73	12/10/73

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF COMMUNICATIONS—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,653—**Mr. Clark (Rocky Mountain):**

1. In which buildings within the National Capital Region does the Department of Communications presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. Mitchell Sharp (President of the Privy Council):

Communications

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Floor	Starting Date	Physical Occupation
Trebla 473 Albert St. Ottawa, Ontario	$ 1,157	12 yrs.	N/L		1/2/71	1/2/71
Commonwealth 77 Metcalfe St. Ottawa, Ontario	$ 1,307	4 yrs.	30/8/73		1/9/73	15/8/73
Palef Building 116 Lisgar St. Ottawa, Ontario	$ 2,819	8 yrs.	13/5/74		1/4/74	27/4/74
Journal II Phase 4 300 Slater Street Ottawa, Ontario	$159,156	8 yrs.	N/L	2 – 6	16/1/75	9/4/75
				7 & 8	23/1/75	15/2/75
				9	24/1/75	26/3/75
				10	31/1/75	28/2/75
				11	31/1/75	5/3/75
				12	31/1/75	14/3/75
				13	4/2/75	21/3/75
				14	7/2/75	26/3/75
				15	10/2/75	11/4/75
				16	7/3/75	11/4/75
				17	21/3/75	11/4/75
				18	17/2/75	11/4/75
				19	26/2/75	11/4/75
				20	17/4/75	15/4/75

***The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupany.**

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,654—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Consumer and Corporate Affairs presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Consumer and Corporate Affairs

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Canadian 219 Laurier Avenue Ottawa, Ontario	$ 3,860	13 yrs.	28/10/65	29/6/65	1/7/65
Maple Leaf 227 Laurier Avenue West Ottawa, Ontario	$ 979	13 yrs.	9/6/67	29/6/65	1/7/65
Kenson 225 Metcalfe Street Ottawa, Ontario	$ 3,005	5 yrs.	21/5/74	1/2/73	1/2/73
C.K.C.H. 72 Laval Hull, P.Q.	$ 3,173	1 yr.	11/10/74	1/5/74	30/5/74
Fraser 130 Bentley Avenue Ottawa, Ontario	$ 1,508	20 yrs.	N/L	1/2/75	1/2/75
Conners 211 Montcalm Street Hull, P.Q.	$ 4,205	11 yrs.	3/1/67	1/11/66	1/11/66
Kenting Hangar Uplands Airport Ottawa, Ontario	$ 1,263	5 yrs.	14/11/72	1/7/71	2/6/71
Trebla 473 Albert Street Ottawa, Ontario	$ 883	14 yrs.	N/L	1/11/69	1/11/71**
717 Belfast Road Ottawa, Ontario	$ 5,669	10 yrs.	6/8/74	1/4/74	29/3/74
Connelly 2487 Kaladar Ottawa, Ontario	$ 51	10 yrs.	25/8/69	7/10/68	1/10/68
City Centre 880 Wellington Street Ottawa, Ontario	$ 4,920	5 yrs.	1/10/74	1/10/73	1/10/68*
City Centre 880 Wellington Street Ottawa, Ontario	$ 100	5 yrs.	1/10/74	1/10/73	1/10/68
Sperry Gyroscope 45 Spencer Street Ottawa, Ontario	$ 580	3 yrs.	11/5/72	1/1/72	1/1/69*

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**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,655—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Energy, Mines and Resources presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Energy, Mines and Resources

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Warner 2464 Sheffield Road Ottawa, Ontario	$ 2,072	15 yrs.	N/L	1/3/72	1/3/72

DEPARTMENT OF ENVIRONMENT—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,656—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of the Environment presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Environment

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Canadian Linen 131 Greber Blvd. Gatineau Pointe, P.Q.	$ 1,107	15 yrs.	11/9/72	1/9/72	1/9/72
St. Gelais Pink Road Lucerne, P.Q.	$ 76	11 yrs.	N/L	1/11/74	18/11/74

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Fontaine 200 Sacré-Cœur Blvd. Hull, P.Q.	$ 78,840	15 yrs.	22/6/72	1/9/71	1/9/71
Place Vincent Massey St. Joseph Blvd. Hull, P.Q.	$108,720	20 yrs.	21/10/73	1/7/73	5/6/73
Trebla 473 Albert Street Ottawa, Ontario	$ 1,146	14 yrs.	N/L	1/11/69	1/11/71**
Sir Guy Carleton 161 Laurier Avenue West Ottawa, Ontario	$ 4,394	11 yrs.	5/5/67	29/6/66	1/10/68**
Palef 116 Lisgar Street Ottawa, Ontario	$ 2,821	2 yrs.	13/5/74	1/2/74	1/9/71*
Nicol 331 Cooper Street Ottawa, Ontario	$ 7,861	11 yrs.	26/11/66	5/12/66	Various 16/6/72** 15/1/72 1/4/74
Majestic 396 Cooper Street Ottawa, Ontario	$ 8,155	10 yrs.	20/3/74	1/9/73	1/10/68*
Betcherman 10 Beechwood Avenue Ottawa, Ontario	$ 413	7 yrs.	30/6/69	1/7/69	1/7/69
Dustbane 25 Pickering Place Ottawa, Ontario	$ 1,662	7 yrs.	25/4/74	1/11/73	1/11/68*
Dibblee Highway 31 Ottawa, Ontario	$ 5,466	9 yrs.	18/2/70	5/1/70	1/1/70
Sperry Gyroscope 45 Spencer Street Ottawa, Ontario	$ 3,126	3 yrs.	11/5/72	1/1/72	1/1/69*

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**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF EXTERNAL AFFAIRS—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,657—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of External Affairs presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

[Mr. Drury.]

Hon. C. M. Drury (Minister of Public Works): 1 to 5. Building Name and Address All Crown-Owned Space.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,658—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Indian Affairs and Northern Development presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Indian Affairs and Northern Development

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Liverpool Court 1570 Liverpool Court Ottawa, Ontario	$ 2,927	7 yrs.	13/3/74	1/12/73	1/12/73
Centennial Towers 400 Laurier Avenue West Ottawa, Ontario	$ 58,540	20 yrs.	28/11/65	7/7/65	1/7/65
Centennial Towers 400 Laurier Avenue West Ottawa, Ontario	$ 22,039	9 yrs.	30/11/65	1/8/65	1/8/65
Centennial Towers 400 Laurier Avenue West Ottawa, Ontario	$ 11,744	15 yrs.	21/12/65	10/9/65	10/9/65
Centennial Towers 400 Laurier Avenue West Ottawa, Ontario	$ 6,587	year to year	16/2/66	13/12/65	13/12/65
Commonwealth 77 Metcalfe Street Ottawa, Ontario	$ 591	8 yrs.	26/7/73	1/4/73	1/4/73
Export Development 110 O'Connor Street Ottawa, Ontario	$ 1,419	8 yrs.	31/5/72	1/11/71	10/6/74**
Burnside 151 Slater Street Ottawa, Ontario	$ 1,954	8 yrs.	29/1/73	1/2/73	22/1/73
Empire 124 O'Connor Street Ottawa, Ontario	$ 2,642	2 yrs.	11/4/74	1/12/73	1/12/73
Empire 124 O'Connor Street Ottawa, Ontario	$ 247	2 yrs.	11/4/74	1/12/73	1/12/73
Journal, Phase I 364 Laurier Avenue Ottawa, Ontario	$ 43,022	8 yrs.	11/9/74	1/3/74	15/5/74

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effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,659—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Industry, Trade and Commerce presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Industry, Trade and Commerce

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Place de Ville – Podium 300 Sparks Street Ottawa, Ontario	$ 17,055	15 yrs.	N/L	1/11/71	1/11/71
Place de Ville Tower "B", 112 Kent St. Ottawa, Ontario	$ 47 $ 517 $ 75 $116,084	20 yrs. 15 yrs. 20 yrs. 20 yrs.	22/8/69 22/8/69 22/8/69 6/3/69	12/9/67	12/9/67
Place de Ville Tower "A", 320 Queen St. Ottawa, Ontario	$ 4,801	3 yrs.	30/1/73	1/11/72	15/11/71*
Kent-Albert 150 Kent Street Ottawa, Ontario	$ 13,951	9 yrs.	17/11/67	1/4/67	1/4/67
Kent-Albert 150 Kent Street Ottawa, Ontario	$ 3,977	10 yrs.	18/2/70	1/8/69	1/8/69
Kent-Albert 150 Kent Street Ottawa, Ontario	$ 355	10 yrs.	18/2/70	1/8/69	1/8/69
Fuller 75 Albert Street Ottawa, Ontario	$ 465	9 yrs.	20/6/72	1/11/71	1/10/74**
Journal II (Ph 4) 300 Slater St., Ottawa, Ont.	$ 53,052	8 yrs.	N/L	–/1/75	–/1/75
Riverside Medical 2211 Riverside Drive Ottawa, Ontario	$ 1,960	16 yrs.	3/1/67	15/5/67	–/10/73**
Postal Station "F" 1339 Baseline Road Ottawa, Ontario	$ 806	11 yrs.	N/L	22/11/71	22/11/71

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**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF JUSTICE—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,660—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Justice presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Justice

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Varette 130 Albert Street Ottawa, Ontario	$ 6,756	8 yrs.	2/2/72	1/10/71	1/10/71
Varette 130 Albert Street Ottawa, Ontario	$ 2,936	6 yrs.	28/11/73	1/7/73	1/7/73

DEPARTMENT OF LABOUR—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,661—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Labour presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Labour

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Sir Wilfrid Laurier 340 Laurier Avenue West Ottawa, Ontario	$ 42,548	23 yrs.	29/12/67	1/6/67	1/6/67
Wesley 120 Holland Avenue Ottawa, Ontario	$ 655	10 yrs.	10/5/71	1/4/71	1/4/71

Order Paper Questions

DEPARTMENT OF MANPOWER AND IMMIGRATION—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,662—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Manpower and Immigration presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. Mitchell Sharp (President of the Privy Council):

Manpower and Immigration

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Woolworth 156 rue Principale Hull, P.Q.	$ 2,737	5 yrs.	28/8/68	15/7/68	1/11/72**
Woolworth 156 rue Principale Hull, P.Q.	$ 400	2 yrs.	29/12/72	1/11/72	1/11/72
Woolworth 156 rue Principale Hull, P.Q.	$ 500	1 month	9/7/74	1/5/74	1/11/72*
Major et Al 164 rue Wellington Hull, P.Q.	$ 479	2 yrs.	18/4/73	1/5/73	12/4/73
Union du Canada 325 Dalhousie St. Ottawa, Ontario	$ 1,480	4 yrs.	30/8/70	1/8/70	1/8/70
Union du Canada 325 Dalhousie St. Ottawa, Ontario	$ 17,383	15 yrs.	7/3/69	1/2/68	1/2/68
French Canadian Institute 316 Dalhousie St. Ottawa, Ontario	$ 1,791	7 yrs.	17/6/69	26/9/68	1/9/68
Bourque Memorial 305 Rideau St. Ottawa, Ontario	$ 55,422	12 yrs.	10/3/65	1/11/64	1/11/64
Bourque Memorial 305 Rideau St. Ottawa, Ontario	$ 1,973	12 yrs	16/3/69	21/10/65	21/10/65
Bourque Memorial 305 Rideau St. Ottawa, Ontario	$ 495	10 yrs.	9/9/68	1/8/67	1/8/67
Shirden 312 Rideau St. Ottawa, Ontario	$ 1,954	9 yrs.	12/10/66	4/4/66	1/4/66
Shirden 312 Rideau St. Ottawa, Ontario	$ 359	8 yrs.	15/9/67	9/2/67	1/2/67
Cumberland Place 400 Cumberland St. Ottawa, Ontario	$ 31,873	8 yrs.	28/1/74	1/12/73	31/8/73
Burnside 151 Slater St. Ottawa, Ontario	$ 892	8 yrs.	8/2/73	1/2/73	15/1/73
Laurier-O'Connor 251 Laurier Ave. Ottawa, Ontario.	$ 4,076	7 yrs.	N/L	18/9/74	18/9/74
Place Vanier Tower B 355 River Rd Vanier, Ontario	$ 1,516	15 yrs.	1/11/71	1/11/71	16/11/74**

[Mr. Drury.]

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF NATIONAL DEFENCE—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,663—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of National Defence presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

National Defence

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Ogilvy 112 Besserer Street Ottawa, Ontario	$ 7,905	5 yrs.	3/11/70	1/6/70	1/6/70
Elgar 200 Elgin Street Ottawa, Ontario	$ 29,426	13 yrs.	15/12/66	10/5/66	1/5/66
Greenberg 100 Gloucester Street Ottawa, Ontario	$ 339	9 yrs. 8 mos.	10/11/72	1/2/72	3/1/72
Greenberg 100 Gloucester Street Ottawa, Ontario	$ 1,831	10 yrs.	16/10/72	1/10/71	10/10/71
General 185 Somerset Street Ottawa, Ontario	$ 2,264	7 yrs.	21/8/74	1/10/73	1/10/73
Jelnor 171 Nepean Street Ottawa, Ontario	$ 9.695	12 yrs.	7/11/68	1/4/68	1/4/68
Halifax 309 Cooper Street Ottawa, Ontario	$ 8,610	5 yrs.	N/L	1/8/73	1/12/70*
Halifax 309 Cooper Street Ottawa, Ontario	$ 1,269	5 yrs.	N/L	1/8/73	1/12/70*
O'Connor 190 O'Connor Street Ottawa, Ontario	$ 19,615	8 yrs.	28/4/70	8/11/68	1/11/68
Vered 245 Cooper Street Ottawa, Ontario	$ 13,798	7 yrs.	29/11/74	1/3/74	29/1/71*
Narono 354-66 Laurier Avenue Ottawa, Ontario	$ 37,644	19 yrs.	13/1/70	1/8/69	1/8/69

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Place Vanier, Tower "B" 355 River Road Ottawa, Ontario	$ 4,508	3 yrs.	12/10/72	1/8/72	1/8/72
Grain 270 Carling Avenue Ottawa, Ontario	$ 1,740	5 yrs.	21/3/73	1/10/72	1/10/67*

* The Physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original least for the premise was renegotiated during the clients's occupancy.

** The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF NATIONAL REVENUE—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,665—**Mr. Clark (Rocky Mountain):**

1. In which buildings within the National Capital Region does the Department of National Revenue presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

National Revenue–Customs and Excise

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Sir Richard Scott 191 Laurier Avenue Ottawa, Ontario	$ 43,488	8 yrs.	N/L	19/8/74	23/9/74
Teron 219 Argyle Avenue Ottawa, Ontario	$ 1,428	7 yrs.	11/1/74	1/6/73	26/1/74**
National Revenue 1117-1125 Newmarket Ottawa, Ontario	$ 750	5 yrs.	24/9/74	1/5/74	1/5/74
Cumberland Place 400 Cumberland Avenue Ottawa, Ontario	$ 31,164	8 yrs.	28/1/74	1/12/73	14/9/73
Century 360 Lisgar Street Ottawa, Ontario	$ 30,071	12 yrs.	11/3/70	3/6/68	7/2/73**

* The physical occupation date is prior to the starting date because the starting date dhown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

** The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF PUBLIC WORKS—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,666—**Mr. Clark (Rocky Mountain):**

1. In which buildings within the National Capital Region does the Department of Public Works presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Public Works

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Place de Ville Tower "A" 320 Queen Street Ottawa, Ontario	$ 802	10 yrs.	28/9/73	1/11/71	1/10/71
Lord Elgin Plaza 66 Slater Street Ottawa, Ontario	$ 31,361	8 yrs.	2/10/72	1/4/71	1/7/72**
Lord Elgin Plaza 66 Slater Street Ottawa, Ontario	$ 19,253	8 yrs.	2/10/72	1/8/71	1/7/72**
Place Vanier Tower "B" 355 River Road Vanier, Ontario	$ 446	15 yrs.	1/11/71	1/11/71	15/11/71
City Centre 880 Wellington Street Ottawa, Ontario	$ 2,024	5 yrs.	26/6/74	1/10/73	16/12/74**
Teron Bldg. 219 Argyle Street Ottawa, Ontario	$ 512	7 yrs.	11/1/74	1/6/73	1/6/68*

* The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,667—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Regional Economic Expansion presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Regional Economic Expansion

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Sir Guy Carleton 161 Laurier Avenue West Ottawa, Ontario	$ 37,239	11 yrs.	5/5/67	29/6/66	1/7/66
Sir Guy Carleton 161 Laurier Avenue Ottawa, Ontario	$ 18,957	6 yrs.	28/7/72	1/7/72	1/7/66*

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF SECRETARY OF STATE RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,668—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Secretary of State presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

[Mr. Drury.]

Hon. Mitchell Sharp (President of the Privy Council):

Secretary of State

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Kent-Albert 150 Kent Street Ottawa, Ontario	$ 1,151	10 yrs.	18/2/70	1/8/69	1/8/69
Commonwealth 77 Metcalfe Street Ottawa, Ontario	$ 563	5 yrs.	30/7/73	1/7/73	11/6/73
Commonwealth 77 Metcalfe Street Ottawa, Ontario	$ 1,147	2 yrs.	7/7/73	1/7/73	7/6/73
Fuller 75 Albert Street Ottawa, Ontario	$ 3,130	7 yrs.	10/3/73	1/1/73	1/1/73
Lord Elgin Plaza 66 Slater Street Ottawa, Ontario	$ 4,813	6 yrs.	28/11/73	1/12/73	31/10/72*
Lord Elgin Plaza 66 Slater Street Ottawa, Ontario	$ 32,024	8 yrs.	1/10/72	1/9/72	1/9/72
Sir Richard Scott 191 Laurier Avenue Ottawa, Ontario	$ 38,720	8 yrs.	N/L	19/7/74	7/7/74
Export Development 110 O'Connor Street Ottawa, Ontario	$ 2,609	8 yrs.	31/5/72	1/11/71	16/8/71
National 130 Slater Street Ottawa, Ontario	$ 42,167	15 yrs.	12/6/68	1/4/67	19/11/71**
National 130 Slater Street Ottawa, Ontario	$ 962	10 yrs.	16/11/67	1/5/67	1/5/67
National 130 Slater Street Ottawa, Ontario	$ 227	8 yrs.	12/11/69	1/4/69	1/4/69
Trafalgar 110 Argyle Street Ottawa, Ontario	$ 1,279	2 yrs.	6/1/75	1/3/74	1/3/71*

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF SOLICITOR GENERAL—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,669—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of the Solicitor General presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Sollicitor General

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Kent-Albert 150 Kent Street Ottawa, Ontario	$ 1,374	3 yrs.	20/9/74	1/6/73	1/6/70*
Imperial 251 Bank Street Ottawa, Ontario	$ 2,885	7 yrs.	16/10/74	1/6/74	10/5/74
Kenson 225 Metcalfe Street Ottawa, Ontario	$ 1,053	5 yrs.	24/5/73	1/2/73	24/7/74**
Sir Wilfrid Laurier 340 Laurier Avenue West Ottawa, Ontario	$ 7,799	23 yrs.	9/1/66	1/6/67	1/6/67
Journal Ph. I 365 Laurier Avenue West Ottawa, Ontario	$ 6,760	3 yrs.	14/11/72	1/10/72	15/9/72
Laurentian Tower 44 Bayswater Ottawa, Ontario	$ 3,138	2 yrs.	30/12/74	1/10/74	16/9/74
Place Vanier Tower "B" Vanier, Ontario	$ 14,861	15 yrs.	1/11/71	1/11/71	8/8/71
Place Vanier Tower "A" Vanier, Ontario	$ 3,031	12 yrs.	11/12/70	19/9/69	17/9/69
Place Vanier Tower "A" Vanier, Ontario	$ 1,837	12 yrs.	1/6/72	1/6/72	1/5/72

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF STATE FOR URBAN AFFAIRS—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,671—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Ministry of State for Urban Affairs presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Urban Affairs and Housing

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
United Trust 1 Nicholas Street Ottawa, Ontario	$ 4,042	4 yrs.	4/7/73	1/1/73	27/12/72
Lord Elgin Plaza 66 Slater Street Ottawa, Ontario	$ 2,332	6 yrs.	28/11/73	1/12/73	1/12/73

TREASURY BOARD—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL AREA

Question No. 2,672—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Treasury Board presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Treasury Board

Building Name & Address	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
60 Queen Street Ottawa, Ontario	$ 2,805	1 yr.	24/9/74	1/8/74	15/2/74*
Canadian 219 Laurier Avenue Ottawa, Ontario	$ 3,860	13 yrs.	28/10/65	29/6/65	15/11/74**
Place Bell Canada 160 Elgin Street Ottawa, Ontario	$107,440	8 yrs.	4/6/73	1/12/71	28/5/72**
222 Somerset Street Ottawa, Ontario	$ 3,373	2 yrs.	7/4/75	1/12/74	4/4/74*

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

DEPARTMENT OF VETERANS AFFAIRS—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,673—Mr. Clark (Rocky Mountain):

1. In which buildings within the National Capital Region does the Department of Veterans Affairs presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Hon. C. M. Drury (Minister of Public Works):

Veterans Affairs

Building Name & ddress	Monthly Rent	Lease Term	Signing Date	Starting Date	Physical Occupation
Trebla 473 Albert Street Ottawa, Ontario	$ 3,441	14 yrs.	N/L	1/11/69	5/10/71**
Billings Bridge Plaza 2271 Riverside Drive Ottawa, Ontario	$ 7,147	12 yrs.	19/5/67	16/11/66	1/11/66

*The physical occupation date is prior to the starting date because the starting date shown is for a lease currently in effect. The original lease for the premises was renegotiated during the client's occupancy.

**The physical occupation date is after the starting date because there has been a change in tenancy during the lease term.

N/L Non-executed lease.

NATIONAL DEFENCE—AIRCRAFT SUPPORT TO OTHER DEPARTMENTS

Question No. 2,686—**Mr. Forrestall:**

1. Is it the policy of the government to require the Department of National Defence to meet the requirements for aircraft support of other departments?

2. For the fiscal year 1975-76, what departments have requested aircraft support from the Department of National Defence and, in each case (a) how many hours and/or days of actual flying time were requested (b) what type of aircraft was sought (c) for what purpose (d) what has been the approved level of support agreed upon by DND if different from the requested amount?

Hon. James Richardson (Minister of National Defence): 1. Government policy is to provide Canadian Forces aircraft support to other government departments concerned with Canadian Sovereignty and security as set out in the White Paper, Defence in the 70's. However, such support assistance is contingent on DND being able to fulfill its primary defence roles.

2. (a), (b), (c), (d). For fiscal year 1975/76 the Department of Environment has requested DND for assistance in support of its surveillance and control operations which includes various forms of environmental services and fisheries and marine services. DND plans to cooperate to the fullest extent on the understanding that many of DOE's requirements may have to be ancillary to DND primary defence roles. A total of 915 flying hours (Tracker and Argus Aircraft) are dedicated to DOE programs. For the remainder of DOE's requests it is planned to make arrangements, if possible, to fulfill the requirements with other DND multi-tasked missions. In addition DND provides short notice airlift support to all other departments, resources permitting. However, the cost for this support is in the majority of cases recoverable from the departments concerned.

[Mr. Clark (Rocky Mountain).]

SWIMMING POOL AT PRIME MINISTER'S RESIDENCE

Question No. 2,692—**Mr. Cossitt:**

1. What is a full and detailed description of any involvement whatsoever with the swimming pool at the Prime Minister's residence, 24 Sussex Drive, by the National Capital Commission?

2. What are all connections, if any, directly or indirectly that Mr. Ed Gallant, Chairman of the National Capital Commission has had with this matter, including dates, persons dealt with, etc.?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the National Capital Commission is concerned: 1. See reply to Question No. 2691, paragraph 2(b). The pool's design was approved by the Commission's Advisory Committee on Design on November 28, 1974.

2. See reply to Question No. 2691, paragraph 2 (a) and (b).

ESCAPE OF PRISONERS FROM WILLIAM HEAD MAXIMUM SECURITY PRISON

Question No. 2,694—**Mr. Munro (Esquimalt-Saanich):**

1. Did three prisoners escape from William Head Maximum Security Prison at William Head on Vancouver Island in late April or early May, 1975?

2. Was a security fence recently installed at a cost of $100,000 which was intended to upgrade the outer perimeter protective features of the prison from medium to maximum security standards and, if so, did two of the prisoners escape by walking around the end of the fence?

3. Is the Prison exposed on the waterside by some 3 1/2 miles of unfenced and otherwise insecure waterfront?

4. Is any thought being given to relocating the Institution instead of spending some $5,000,000 to "upgrade" the site to afford the law abiding public of the use of some of the finest parkland in the area?

Hon. Warren Allmand (Solicitor General): It should be noted that William Head Institution is not a maximum security institution; it was upgraded from minimum security to medium security on September 1, 1974. 1. Three inmates walked away, during the month of March 1975, from William Head Institution.

2. A security fence was installed as one item of various works planned to change the institutional operations from minimum security (unrestricted movement) to medium security with some restriction of movement. In all cases the admimistrative inquiries were unable to ascertain the exact escape route taken by these inmates.

3. The waterfront of the peninsula on which this institution is located is not fenced. The rough exposed shoreline and the elaborate internal patrol road system are considered an effective deterrent to escape for the inmate transferred to that institution. However, the Canadian Penitentiary Service is planning to form guard-dog foot patrol teams within the perimeter to reinforce the institutional preventive security controls.

4. There are no plans to relocate the institution as to do so would be much more costly. Upgrading consists of replacing existing buildings and bringing services such as

water and sewage treatment up to a standard required by environmental authorities.

PERCENTAGE OF FINANCIAL ASSETS OF INDIVIDUALS HELD IN RESERVES

Questions No. 2,701—**Mr. Herbert:**

Are any statistics available or have any estimates been compiled to indicate what percentage of financial assets of individuals are held in various reserves and has there been any indication of an appreciable shift in such holdings in the past ten years?

Hon. Mitchell Sharp (President of the Privy Council): It is not understood what the term "reserves" refers to in the context of this question. The most recent data on financial assets holdings by individuals is contained in the Statistics Canada publication entitled "Incomes, Assets and Indebtedness of Families in Canada", catalogue No. 13-547. This information was compiled from a survey conducted in the spring of 1970. It is not possible to determine the precise shift in the composition of holdings of financial assets of individuals over the past ten years due to the infrequency of the Statistics Canada surveys. The survey preceding the 1970 survey which can be referred to for comparison purposes is entitled "Incomes, Assets and Indebtedness of Non-Farm Families in Canada." The catalogue number for this survey, which was conducted in 1964, is 13-525.

RADIOACTIVE WASTES

Question No. 2,709—**Mr. Francis:**

1. What is the nature and extent of the pick-up service provided by Atomic Energy of Canada Limited for radioactive wastes which require special waste management?

2. Has such service been cancelled for hospitals?

Hon. Mitchell Sharp (President of the Privy Council): 1. Atomic Energy of Canada Limited does not provide a regular pick-up service for radioactive wastes which require special waste management. Responsibility for the transportation of radioactive wastes rests with the producer of such wastes. AECL may provide such transportation through arrangement with the producer.

2. Since AECL Does not provide a pick-up service, cancellation of such service is not possible.

CIVIC HOSPITAL OTTAWA—RADIOACTIVITY

Question No. 2,710—**Mr. Francis:**

1. Has an investigation been carried out on the incident at the Civic Hospital in Ottawa in March of this year when a person broke into the hospital's storage place for radioactive materials and is reported to have caused damage by spilling radioactive materials?

2. What was the result of such investigation?

3. What precautions have been recommended to the Civic Hospital to make sure this does not happen again?

4. What precautions, if any, are other hospitals in Canada taking to prevent a similar incident?

5. Was anyone injured or contaminated by radioactive materials as a result of the incident and, if so, what are the details?

6. How was the area of the Civic Hospital made safe again from radioactive contamination?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. Yes.

2. The investigation showed that the lock on the radioisotope laboratory door was defective, that the contamination was isolated to one area of one wing of the hospital, that all radioactive material removed from the laboratory was accounted for, and that nobody was exposed to any significant hazard as a result of the incident.

3. Recommendations were made to the Civic Hospital concerning improvement of the physical security of the radioisotope laboratory.

4. As a condition of their licences, hospitals are required to keep radioisotope laboratories locked at all times when not being used. However, as a result of the Civic Hospital incident, the Atomic Energy Control Board is currently reviewing its guidelines on physical security which will be communicated to hospitals and other institutions using radioactive material.

5. The only person contaminated by radioactive material as a result of the incident was the person who removed the material from the laboratory. He apparently became contaminated when he broke open one of the glass vials which he had removed. He was thoroughly showered and washed within hours with the consequent removal of the contamination. No injuries resulted.

6. The affected area of the Civic Hospital was thoroughly washed to remove the radioactive contamination. A few items, which were difficult to wash such as a chair and a telephone, were stored until the radioactivity decayed to acceptable levels.

MONITORING OF HOSPITAL RADIOACTIVE WASTES

Question No. 2,711—**Mr. Francis:**

With respect to the answer to Question No. 1,720 which stated that "radioactive wastes which are permitted to be poured down the sinks of hospitals generally have short radioactive half-lives", and that "they rapidly decay before they can accumulate to detectable levels in the water supply and the life cycle of humans" (a) what are such wastes that are disposed of in this way (b) what are the half-lives of such wastes (c) what, if any, are the substances disposed of in this way that are not "general" (d) what are the "detectable levels" referred to by the Atomic Energy Control Board (e) how are these levels monitored near hospitals to make sure that they are below "detectable levels" (f) how are these levels monitored to make sure that they do not get into the life cycle of human beings?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: (a) Examples of the wastes referred to in this question are solutions of iodine, technetium or gold. (b) Iodine 131 has a half-life of eight days; technetium 99m has a half-life of 6 hours; and gold 198 has a half-life of 65 hours. (c) Some materials are used less frequently than the above isotopes because of recent changes in clinical needs. Some radioisotopes included in this category would be iron 59 (half-life 45 days; cobalt 57 (half-life 270 days); chromium 51 (half-life 28 days); carbon 14 (half-life 5,730 years) and tritium (half-life 12 years). (d) The detectable levels referred to are the extremely dilute concentrations which are just measurable with available instrumentation. These concentrations are roughly those at which radioactive materials appear in nature. (e) and (f) Occasional spot samples have been taken near the effluents of some hospitals

from time to time to check that the hospitals are in compliance with the disposal conditions specified on their radioisotope licence. Usually this is not necessary, however, since the volume of water being discharged by most hospitals is so immense that sufficient dilution is achieved. Moreover, the total quantity of radioactive materials is so small and the half-life of most commonly used radioisotopes is so short that there will be no significant build-up in the environment.

DISPOSAL OF RADIOACTIVE MATERIALS

Question No. 2,712—**Mr. Francis:**

1. How do scientists at the University of British Columbia dispose of radioactive (a) liquids (b) solids (c) gases (d) biological wastes?

2. How are such radioactive wastes (a) moved (b) stored?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. (a) Liquid radioactive wastes at the University of British Columbia are disposed of by dilution and discharge to the sewage system. (b) Solid radioactive wastes at the University of British Columbia are disposed of by being shipped to Atomic Energy of Canada Limited, Chalk River, Ontario. Low level wastes containing only trace quantities of radioactive material are incinerated on campus, depending on the type of waste. (c) Gaseous radioactive wastes at the University of British Columbia are discharged to the atomosphere (in such a manner that permissible concentrations in air breathed by personnel are not exceeded). (d) Biological radioactive wastes at the University of British Columbia are incinerated.

2. (a) Wastes are transported on campus in a University of British Columbia truck used specifically for the carriage of "dangerous" materials. All such wastes are double bagged in polyethylene, checked for contamination and radiation levels, and suitably labelled. (b) Solid wastes are stored, pending shipment to Atomic Energy of Canada Limited, in a special concrete central waste storage facility.

POINT LEPREAU NUCLEAR GENERATING STATION, NEW BRUNSWICK

Question No. 2,713—**Mr. Francis:**

With respect to the recommendations of the recent Environmental Assessment Panel issued by the Minister of the Environment regarding the Point Lepreau Nuclear Generating Station in New Brunswick (a) will the government be developing a national policy as soon as possible with regard to long term storage and ultimate disposal of highly radioactive wastes (b) will the recommendations of the Assessment Panel with regard to monitoring and controlling the adverse environmental effects on the Point Lepreau region be followed by the government?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: (a) Yes. (b) Yes.

NUCLEAR CONTAMINATION

Question No. 2,719—**Mr. Francis:**

What is the government's estimate of the extent of nuclear contamination in the surrounding environment and the effects on public health and safety should a fully fueled CANDU reactor be destroyed by sabotage, explosion or earthquake?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: Nuclear power plants are designed to withstand any credible earthquake or explosion that could occur at the site. These and other measures aimed at safety and security make a nuclear power plant intrinsically highly resistant to attempts of sabotage. Therefore, the risk to the public from such events is acceptably low.

CANDU REACTOR ENERGY WASTE

Question No. 2,720—**Mr. Francis:**

Is 70 per cent of the energy produced by a CANDU reactor lost in waste by means of thermal pollution into the nearby environment and, if not, what is the percentage of energy waste?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: Yes.

CANDU REACTOR WASTES—STORAGE SYSTEMS

Question No. 2,722—**Mr. Francis:**

Do some radioactive wastes from CANDU reactors have a half-life of up to 25,000 years and do the currently designed storage vessels have an estimated life of 100 years and, if so, does the government feel confident that a longer term storage system will soon be devised for these dangerous wastes?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: Some of the radioactive materials contained in the spent fuel discharged from CANDU reactors are very long-lived. For example, plutonium-239 requires about 250,000 years (i.e. ten half-lives) to decay to a negligible level. At present, the spent fuel is stored retrievably in interim surface storage facilities pending decisions on re-use and ultimate storage or disposal. Several possibilities for ultimate storage or disposal of radioactive wastes are currently under investigation in Canada, including burial in geologic formations.

NUCLEAR REACTORS AND HEAVY WATER PLANTS

Question No. 2,723—**Mr. Francis:**

1. How many nuclear reactors and heavy water plants are projected for Canada up to the year 2000 and (a) where will each be located (b) what is the estimated amount of radioactive wastes that will have accumulated by that time?

2. What training programmes are being devised to acquire personnel to staff such operations?

3. (a) Are trained personnel available locally to the plants (b) will talent have to be imported and, if so, from where?

Hon. Mitchell Sharp (President of the Privy Council): 1. Atomic Energy of Canada Limited estimates that about 115 nuclear reactors will be located in Canada up to the year 2000. Because the vast majority of these will be owned and operated by provincial utilities, the actual number will be determined more by the provincial governments than by the federal government. AECL estimates that eight to 12 heavy water plants, each capable of producing about 800 tons of heavy water annually, will be required in Canada by the year 2000. The actual number installed will be determined partly by experience gained through operation

of current plants and partly by the rate of installation of nuclear reactors. (a) The location of each of these nuclear reactors and heavy water plants will be determined by the utility or private company that owns the plant, subject to the approval of appropriate federal or provincial boards or departments. (b) It is estimated that about 125,000 megagrams of radioactive waste in the form of spent fuel will have been accumulated by the year 2000.

2. To date, personnel to staff such operations have been trained either in facilities owned and operated by the plant owners or in the facilities of other utilities such as Ontario Hydro or Hydro Quebec.

3. (a) Experience to date indicates that personnel capable of being trained to operate such plants can be found within the province in which the plant is located. (b) The possibility of having to import talent into Canada to operate such plants seems very remote.

USE OF PLUTONIUM

Question No. 2,724—**Mr. Francis:**

1. Is the government working on the development of a second generation of reactor that can use the plutonium by-product of CANDU reactors as fuel?

2. Has an analysis been made to determine the costs involved in re-using plutonium as reactor fuel in Canada?

3. Are the environmental public health and safety risks greater when plutonium is re-used as a fuel in a reactor?

Hon. Mitchell Sharp (President of the Privy Council): 1. Yes. Atomic Energy of Canada Limited has just begun a long-term development program to determine answers to the many technological, economic and social questions that might arise should a future shortage or uranium indicate the desirability of installing reactors that use plutonium in the fuel cycle.

2. An analysis of the costs involved in reusing plutonium as reactor fuel is one of the objectives of the development program.

3. The environmental, public health and safety risks associated with the reuse of plutonium as fuel in a reactor are among the major questions to be answered by the development program.

PRODUCTION OF HEAVY WATER FOR CANDU REACTORS

Question No. 2,725—**Mr. Francis:**

Do CANDU reactors use large quantities of heavy water and, if so, is the government convinced that enough heavy water will be produced to provide for the present and planned reactors in Canada in addition to supplying heavy water for export by the year (a) 1980 (b) 2000?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: Yes. Large quantities of heavy water are needed for the initial filling of a CANDU reactor. AECL has advised that enough heavy water will be produced to provide for the present and planned reactors in Canada in addition to supplying heavy water for export by the year (a) 1980 (b) 2000.

Order Paper Questions

DECOMMISSIONING OF REACTOR SITES

Question No. 2,726—**Mr. Francis:**

From the time of coming on stream, until a nuclear reactor must be decommissioned (a) what disposal is planned for parts which must be replaced prior to decommissioning of the entire reactor (b) in the case that the "preferred choice" for disposal of decommissioned reactors is to encase the reactor in concrete, what is the projected decomposition rate of such concrete (c) what are the projected costs of safeguarding and monitoring the decommissioned reactor sites?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: (a) Those parts which must be replaced prior to decommissioning of the entire reactor and are not radioactive are disposed of in the normal industrial manner. Those parts which are radioactive are sent to a waste management site for retrievable storage in a concrete vault. (b) In the case that the "preferred choice" for disposal of decommissioned reactors is to encase the reactor in concrete, the expected life of the concrete structure would exceed the time required for the radioactivity in the decommissioned reactor to decay to a safe level. (c) The projected costs of safeguarding and monitoring decommissioned reactor sites are not likely to add more than a few per cent to the cost of electricity.

CANDU—HUMAN ERROR

Question No. 2,727—**Mr. Francis:**

What are the guarantees that CANDU nuclear generating systems will not be subject to human error?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: The safety philosophy for CANDU nuclear power plants is based on "defence-in-depth"; that is, the public would be protected even if several human errors and/or equipment failures were to occur. Just as important, however, is the fact that CANDU nuclear power plants are designed and constructed to high standards and the operators are trained to high standards to minimize the probability of serious human errors and equipment failures.

THORIUM FUEL

Question No. 2,728—**Mr. Francis:**

1. What progress has been made to date on the use of thorium which is more abundant than uranium to fuel nuclear reactors in Canada?

2. Can a standard CANDU reactor be modified to use thorium?

3. What are the environmental and social risks involved in using thorium?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: 1. Fundamental measurements relevant to the use of thorium in CANDU reactors have been carried out in parallel with uranium studies since Atomic Energy of Canada Limited was first set up, though in much less detail. Over the past two years an extensive and detailed survey has been done to determine the potential value of thorium in CANDU reactors. This shows that thorium will probably be an economic and desirable fuel component before the end of the century. Planning is now under way to carry out the necessary research and development program on a time scale to meet this demand.

2. Yes, thorium could be used in a standard CANDU reactor with fairly minor modifications that could be retrofitted to the reactor. Likewise, only minor modifications to the standard CANDU design would be needed to optimize the design to utilize thorium. However, major fuel development and fuel reprocessing programs will be needed.

3. The social and environmental risks involved in using thorium economically in a reactor are similar in nature to those in using recycled plutonium as fuel. Information on these risks will be gained during the research and development program already mentioned.

PICKERING LICENCE LIMIT

Question No. 2,729—**Mr. Francis:**

Has the operating licence limit for radioactive noble gases been exceeded at the Pickering nuclear facility and, if so, on what dates?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board as follows: The operating licence limit for radioactive noble gases has not been exceeded at the Pickering Generating Station. The annual releases of all radionuclides—the annual period being the important averaging period—has never exceeded a few per cent of the permissible release. For control purposes, the operating licence specifies limits on the quantity of radioactive materials released to the atmosphere in any seven day period.

ACCIDENTS AT PICKERING NUCLEAR FACILITY

Question No. 2,730—**Mr. Francis:**

1. How many accidents or events described as "significant events", which had a significant influence on reactor, personnel or public safety from a radiation point of view have occurred at the Pickering nuclear facility?

2. How many such events have been termed "unsafe"?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. Non. "Significant event" is a term used by Ontario Hydro and others for any event which, in their view, did have or could have had a significant effect on the economic and reliable production of electricity or on the safe operation of the station.

2. No "significant event" has occurred at the Pickering Generating Station which led to the release of radioactive materials in excess of a few per cent of the licenced limits and, therefore, such events are not considered to have had a significant influence on reactor personnel or public safety from a radiation point of view.

ATOMIC ENERGY OF CANADA LIMITED

Question No. 2,731—**Mr. Francis:**

1. In what way have Atomic Energy of Canada Limited facilities been involved in solving the "leaks" problems at Pickering?

2. What has been the cost to Atomic Energy of Canada Limited?

3. Who paid the bill?

Hon. Mitchell Sharp (President of the Privy Council): 1. Atomic Energy of Canada Limited has co-operated fully with Ontario Hydro in solving the pressure tube leak problem at Pickering. This co-operation has taken two forms: (i) AECL has provided design services and equipment development services for locating the leaking pressure tubes, for removing these from the reactor and for replacing them with new pressure tubes. Most of this work was done at AECL's Power Projects site in Toronto; (ii) AECL has undertaken to discover the reasons why the leaks developed in the pressure tube and to determine how to avoid the problem on future reactions. Most of this work is being done at AECL's research centres at Chalk River and Whiteshell.

2. By agreement with Ontario Hydro, all work undertaken by AECL for the rehabilitation of the Pickering reactors is paid for by Ontario Hydro. The cost of all work undertaken to discover the causes of the problem and the solutions to it is shared equally between AECL and Ontario Hydro. The cost of this latter work is taken from AECL's annual operating budget.

3. See answer to part 2 above.

INCIDENT INVOLVING NUCLEAR TECHNOLOGY

Question No. 2,732—**Mr. Francis:**

With reference to the answer to Question No. 1,724, which stated the Department of Energy Mines and Resources has "no definite knowledge" of a statement widely reported in the media that an official of Ontario Hydro said in a press conference about the Pickering radioactive leaks that many worse things have happened, does the government or any agency of the government have any knowledge of any incident involving nuclear technology in Canada that was worse than the Pickering leaks?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: We cannot speculate as to what the unnamed Ontario Hydro official meant by "worse things have happened". We know of difficulties that occurred at the Douglas Point Generating Station which were reported widely at the time and which caused long outages of that station during its first few years of operation. The Douglas Point Generating Station was the first commercial scale CANDU nuclear-electric station and is considered a prototype. Some difficulties were expected even though great effort was made to avoid them. The success of the Pickering Generating Station is largely due to the lessons learned at the Douglas Point Generating Station and the earlier, small scale, Nuclear Power Demonstration Generating Station.

ENLARGEMENT OF PICKERING NUCLEAR FACILITY

Question No. 2,733—**Mr. Francis:**

Does the AECL annual report of 1973-74 indicate that "in 1973 (Pickering) produced more electricity than any other nuclear plant in the world" and, if so, has any environmental assessment been ordered before doubling the size of Pickering to which Ontario Hydro has committed itself?

Hon. Mitchell Sharp (President of the Privy Council): The Atomic Energy of Canada Limited Annual Report for 1973-74 states on page 7 that "Pickering produced more electricity in 1973 than any other nuclear power station in the world". In April 1974, Ontario Hydro submitted a document entitled "Proposed Generating Station B at Pickering" to the Ontario Ministry of Energy. Included in

this document was an environmental assessment for the proposed addition to Pickering.

PACKAGING OF COBALT 60

Question No. 2,734—**Mr. Francis:**

Is any environment risk involved in the packaging of cobalt 60 which is done at the Atomic Energy of Canada Limited location on the outskirts of Ottawa?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: Because of the precautions taken during all phases of the cobalt-60 operation at the Atomic Energy of Canada Limited location of the outskirts of Ottawa, the environmental risk involved is extremely small under normal conditions and the chance of any release of radioactivity under accident conditions is very low. In fact, during the approximately 20 year period in which the cobalt-60 process has been in production, there have been no releases of cobalt-60 to the environment at Atomic Energy of Canada Limited.

CHALK RIVER NUCLEAR FACILITY

Question No. 2,735—**Mr. Francis:**

Was the nuclear facility at Chalk River closed at any time for repairs and, if so (a) on what dates (b) for how long (c) what was the nature and extent of the repairs (d) what amounts of money were spent on the repairs (e) was any leakage of nuclear contaminants involved (f) was any danger to public health or safety involved?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: The question can only be answered in general terms as there are a number of nuclear facilities at Chalk River. (a), (b) & (c) All are shut down periodically for repair and maintenance. Since 1974 there have been three major shutdowns of the two large test reactors involving replacement and upgrading of reactor vessels. (d) Repairs are a normal expense included in AECL's annual operating budget and their cost is not segregated from other like expenses. (e) Some minor leakage of nuclear contaminants within a reactor system is normally involved during installation, maintenance or repair operations around a high power test reactor. (f) Not from any operations with any of the six nuclear facilities at Chalk River.

CHALK RIVER WASTE DISPOSAL

Question No. 2,736—**Mr. Francis:**

1. What studies have been done on the Ottawa River to investigate levels of radioactivity from the Chalk River waste disposal unit?

2. What were the results of such studies and are they a matter of public record?

Hon. Mitchell Sharp (President of the Privy Council): 1. There is continuous surveillance of the Ottawa River by the Department of National Health & Welfare in collaboration with the Ontario Department of Health and the Ontario Ministry of the Environment. Atomic Energy of Canada Limited also carries out its own environmental monitoring program on the river. The Department of National Health & Welfare program analyses drinking water at five locations along the river, both upstream and downstream from the Chalk River Nuclear Laboratories. In addition, fish are collected both upstream and downstream and analysed. Wildlife samples are also taken periodically. The AECL program monitors soil, water, air and vegetation in the vicinity of the waste management areas and all effluents. In addition, it operates a completely independent drinking water monitoring program at Rolphton, Deep River and Pembroke. Other special studies are carried out from time to time on bottom sediments, fish and aquatic plants (water weeds).

2. Generally speaking, results of studies show that the Chalk River Laboratories contribute minor amounts of radionuclides to the Ottawa River relative to the natural and bomb fallout radionuclides already present. Levels of radioactivity in the drinking water at Pembroke are indistinguishable from background levels. AECL results show that the average concentration of radioactivity in any of the effluents from the laboratory—before reaching the river—is less than 1 per cent of the occupational limit for drinking water. The data are published quarterly in detail in the open scientific literature.

LEAKAGE OF RADIOACTIVE WASTE NEAR COLUMBIA RIVER IN USA

Question No. 2,737—**Mr. Francis:**

To the knowledge of the government, have over 400,000 gallons of radioactive waste been leaked from storage tanks in the State of Washington in the United States near the Columbia River since 1958 and, if so (a) has the government undertaken any studies to see if any of this material was flowing north into British Columbia (b) what was the result of such studies?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: (a) Large quantities of radioactive liquid wastes have, on occasion, leaked from storage tanks at the Hanford site. These incidents have been reported in the press and in technical publications. (b) The Hanford site is in an arid, desert-like area of Washington State. We understand from the literature that all of the radioactivity has been trapped in the soil adjacent to the storage tanks and none of the radioactivity has penetrated down to the water table which, at Hanford, is over a hundred feet below the maximum depth of penetration of the radioactive materials. The nearest significant body of water is the Columbia River which is 8 miles away from the tanks. The Columbia River does not flow back into Canada but flows to the Pacific Ocean at a point over one hundred miles from the Canadian border (measured along the shoreline to the Strait of Juan de Fuca). The ocean currents in the area flow from north to south. A number of communities including Portland, Oregon, are located on the Columbia River downstream of the Hanford site. To the best of our knowledge, U.S. officials have no fear that the leaks at Hanford represent any threat to those communities because none of the radioactive materials have reached the river and none are likely to reach it in the future. Based on all the above factors, it is evident that no useful purpose would be served by any studies to see if any of the radioactive material is flowing north into British Columbia.

Order Paper Questions

SALES OF PLUTONIUM TO FRANCE

Question No. 2,738—**Mr. Francis:**

1. With reference to the answer to Question No. 1,713 (a) how much plutonium has Canada sold to France (b) on what dates?

2. How was the plutonium transported (a) across Canada and (b) to France and, what safeguards, if any, were taken to make sure the shipments were not vandalized, sabotaged or stolen?

3. What safeguards are taken to protect public health and safety from any and all mishaps while plutonium is in transit?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. Irradiated fuel bundles from the Nuclear Power Demonstration and Douglas Point Generating Stations have been sold to France. These fuel bundles which contained approximately 120 kilograms of plutonium were shipped from Canada between August 1969 and May 1972.

2. The irradiated fuel bundles were removed from the storage ponds at the Chalk River Nuclear Laboratories and Douglas Point and loaded into approved shipping containers. These containers travelled by specially arranged and approved road transport to Toronto and Montreal where they were loaded aboard a ship and transported to Belgium where the reprocessing plant chosen by the French Government is located.

3. All shipments of irradiated fuel are made under regulations issued by the Atomic Energy Control Board. In the case of this shipment, the details of the proposed shipping arrangements including design and construction of the flask, proposed routing, loading, cleaning and monitoring procedures, were all submitted to the Atomic Energy Control Board for approval. Permission for the transfer was only issued after a thorough review indicated that the risk to public health and safety was acceptable in conformance with prevailing international standards.

MISSING URANIUM OR PLUTONIUM

Question No. 2,739—**Mr. Francis:**

Has any uranium or plutonium been missing or unaccounted for (a) in transit from Canada (b) produced by Canadian-built reactors in other countries?

Hon. Mitchell Sharp (President of the Privy Council): (a) The Atomic Energy Control Board is aware of no incident where uranium or plutonium has been missing or unaccounted for in transit from Canada. (b) The Atomic Energy Control Board is aware of no situation where uranium or plutonium used or produced in Canadian-built reactors which are under bilateral or international safeguards in other countries has been missing or unaccounted for.

SAFEGUARDS FOR NUCLEAR MATERIALS IN TRANSIT

Question No. 2,741—**Mr. Francis:**

What safeguards does the government provide to ensure that radioactive materials in transit will not be hijacked (a) within Canada (b) during export from Canada?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: The security arrangements provided by the federal government to ensure that radioactive materials in transit will not be hijacked within Canada or during export from Canada are specially arranged for each shipment and tailored to reflect the quantity and form of the material being shipped. The detailed arrangements applied to securable quantities of materials which might be attractive to a potential hijacker are confidential.

[Mr. Sharp.]

SAFEGUARDS FOR PLUTONIUM

Question No. 2,742—**Mr. Francis:**

With reference to the answer to Question No. 1,731 which stated that 2,204.6 pounds of plutonium are produced each year at the Pickering CANDU reactor, what assurances can the government provide that this material will not be stolen and used for criminal activities in (a) Canada (b) countries that are purchasing CANDU reactors?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: (a) The plutonium produced in the Pickering reactors is at present contained in irradiated fuel bundles stored in the spent fuel storage pond at the Pickering Reactor Generating Station. These bundles, which are highly radioactive, are stored under approximately 20 feet of water and cannot be removed from this storage pond without a skilled team of technicians and operators and specially built equipment including special transportation containers which weigh from 25 to 50 tons. The physical characteristics of the fuel bundles and existing security precautions are deemed to provide adequate protection. (b) The precise physical security precautions applied to CANDU reactors abroad by foreign nations are chosen by the nation in question. Canada has assisted the International Atomic Energy Agency in the preparation of international guides to physical security standards as part of its general effort to ensure that adequate physical protection measures are in place in all nuclear facilities around the world not only in CANDU reactors.

PRODUCTION OF ATOMIC BOMB

Question No. 2,743—**Mr. Francis:**

Are twenty-two pounds of plutonium enough to produce an atomic bomb and, if not, how many pounds are required?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: The exact quantity of plutonium required to produce a nuclear bomb or explosive is dependent on the isotopic content, the purity, density and other physical characteristics of the plutonium but most important on the design and fabrication of the nuclear weapon concerned. The effect of each of the potential variables and the minimum quantity required to produce a nuclear bomb are carefully guarded military secrets which are not known in Canada. In order to establish levels of security precautions, the Atomic Energy Control Board has assumed that a nuclear explosive device could be assembled from 15 pounds of plutonium.

EFFECTS OF RADIOACTIVE EXPOSURE

Question No. 2,744—**Mr. Francis:**

Are high doses of radioactive exposure known to cause death or cancer and, if so, is there any information on the long-term effects of low-level radioactive exposure?

Hon. Mitchell Sharp (President of the Privy Council): Yes. High doses of radiation can cause cancer and they can cause death as well. Cancers have been observed following doses in the order of 100 rems or more received either in a short period or spread over a long period. The cancer does not appear immediately but after a latent period of several months to many years after the exposure. Deaths due to non-cancerous injuries may result from doses of 200 to 700 rems received in a short period. Exposures of such magnitude may result in death within a few weeks of the exposure, whereas more rapid deaths (within hours) require thousands of rems received in a short period. Taking "low level exposure" to means exposures received within the legal dose limits (5 rems per year to the whole body, for example), there have been no observable effects. It is assumed, for regulatory purposes, that effects are proportional to dose (even at low doses and low doe rates) but this remains an assumption, for no effects have been observed.

LEVELS OF RADIOACTIVE EXPOSURE

Question No. 2,745—**Mr. Francis:**

What is the acceptable level of radioactive exposure (a) for a person's lifetime (b) for a year (c) in one exposure?

Hon. Mitchell Sharp (President of the Privy Council): (a)—(c) The levels of radiation exposure to the whole body permitted by the Atomic Energy Control Regulations are (in addition to natural background radiation and radiation from medical exposures): for atomic radiation workers—up to 3 rems in a single exposure but no more than 3 rems per quarter of a year and no more than 5 rems for a year; in a working lifetime, say 50 years, the accumulated dose could be 250 rems. For members of the public—the level permitted by the Atomic Energy Control Regulations is no more than .05 rem/year to the whole body. In principle, this could be received in a single exposure, but in practice, any dose received by members of the public is likely to be spread out more or less uniformally during th year. In a lifetime (say 70 years), the accumulated dose could be as high as 35 rems. In practice, it is assured, through the licencing actions of the Atomic Energy Control Board, that the highest exposed members of the public generally receive no more than about 1 per cent of the doses permitted by the Atomic Energy Control Regulations.

LEVELS OF RADIOACTIVE EXPOSURE

Question No. 2,746—**Mr. Francis:**

1. What is the acceptable rate of radioactive exposure for a person working in a nuclear facility?

2. How many people working in nuclear facilities in Canada have as a result of radioactive exposure (a) died (b) become disabled (c) taken sick leave (d) been transferred to another job?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. See answer to question No. 2,745.

2. No one working at Canadian nuclear reactors is known to have died, become disabled, taken sick leave or been permanently transferred to another job as a result of radiation exposure.

Order Paper Questions

PROTECTION OF WORKERS AT NUCLEAR FACILITIES

Question No. 2,747—**Mr. Francis:**

1. (a) How many workers at nuclear facilities in Canada are exposed to radioactive materials (b) what is the extent of their exposure?

2. What safeguards exist to protect the health of workers?

3. Are workers in nuclear facilities given regular medical check-ups or other tests to ascertain the degree of their exposure?

4. Are workers protected under an insurance plan against exposure to radioactive materials?

5. Can a worker in a nuclear facility who is contaminated by radioactive wastes seek damages from his employer?

6. Has any member of a family of a worker at a nuclear facility in Canada become contaminated with radioactive material as a result of the worker becoming contaminated?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. Approximately 2,500 workers may be regularly exposed to ionizing radiation at nuclear facilities in Canada. Most of these workers receive a radiation dose of less than half the statutory limits.

2. Measures to protect the radiological health of atomic radiation workers are stipulated in the Atomic Energy Control Regulations. Where necessary, these measures are further specified in the licences issued by the Atomic Energy Control Board. These measures include requirements for minimizing, measuring and recording the exposure of such workers to ionizing radiation.

3. Yes. Atomic radiation workers are given medical tests of a type and frequency prescribed by medical advisers to the Atomic Energy Control Board. The degree of their radiation exposure, that is, radiation dose, is measured primarily by personal radiation dosimeters and by analysis of urine samples. The amount of radiation dose permitted at nuclear facilities is so low that medical effects are not a useful guide to radiation dose. Indeed, the regulatory limits have been chosen so as to prevent medical effects from occurring.

4. Yes. Workers are covered by Workmens' Compensation.

5. Traditionally, workers who are convered by Workmens' Compensation cannot sue their employer; however, when the Nuclear Liability Act is proclaimed, workers who suffer personal injury as a result of radiation exposure can sue the operator (as defined by the act) for damages; and the operator is absolutely liable for any breach of his duty under the act.

6. There have been cases in the past of workers at nuclear facilities in Canada who have worn contaminated clothing to their home. In such cases, there were no detectable medical consequences to the worker or to members of his family.

AMERICAN GUIDELINES ON RADIATION

Question No. 2,749—**Mr. Francis:**

To the knowledge of the government, has the United States approved guidelines that will expose the public in that country to 100 times less radiation than is the acceptable limit from reactors in Canada and, if so, is Canada considering similar measures?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: Both the

United States and the Canadian regulations defining permissible limits of radiation exposure to occupationally-exposed workers and to members of the general public are based on the recommendations of the International Commission on Radiological Protection. The statutory limits in Canada and the U.S.A. are the same. In addition to recommending numerical limits, the International Commission on Radiological Protection cautions that exposures should be kept "as low as is readily achievable, economic and social considerations being taken into account". The United States Nuclear Regulatory Commission has issued guidelines governing the release of radioactive effluents from light-water-cooled nuclear power reactors. The effect of these guidelines is that the resultant radiation dose to members of the public should not exceed about 1% of the statutory dose limits. In advance of the United States action, the Canadian regulatory agency, the Atomic Energy Control Board, established design and operating targets such that the radiation dose to members of the public resulting from radioactive effluents from nuclear power stations and other nuclear facilities and devices should not exceed 1% of the statutory dose limits specified in the Atomic Energy Control Regulations. The operating experience at the Pickering Generating Station indicates that these targets are being achieved.

EMPLOYEES AT PICKERING NUCLEAR FACILITY

Question No. 2,750—**Mr. Francis:**

Did employees at the Pickering nuclear facility receive radioactive exposure in excess of 5 Rems and, if so, how many were involved?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: Very few people, perhaps three or four per year, receive more than 5 rem/year and the doses received by these people have been all less than 10 rem/year. It should be noted that up to 10 rems per year can be permitted by the Atomic Energy Control Board under the Atomic Energy Control Regulations since a dose of 10 rems is not considered to be excessive as long as the dose averaged from age 18 up to the current exposure period does not exceed 5 rems per year.

INTERNATIONAL COMMISSION ON RADIOLOGICAL PROTECTION

Question No. 2,751—**Mr. Francis:**

Has the International Commission on Radiological Protection set an arbitrary figure of about 5 Rems as the maximum acceptable radioactive exposure to a human being over 30 years, and has the United States recently reduced this acceptability figure by a factor of 100 per cent and, if so, is the government reviewing the acceptable radiation exposure figure in Canada to come into line with the United States figure?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: The International Commission on Radiological Protection has set a tentative limit of 5 rems per generation on the genetically significant dose to a population, assuming that a generation is of 30 years duration. This limit is included in the Canadian Atomic Energy Control Regulations. Neither has the U.S. established a limit based on genetically significant dose; however, the U.S has used a number which is numerically equivalent to 5 rems per 30 years, but this numer (0.17 rem/year) is based on somatic rather than genetic effects. As stated in the answer to question No. 2,749, the United States Nuclear Regulatory Commission recently established numerical guidelines for design objectives governing the release of radioactive effluents from light-water-cooled nuclear reactors. These guidelines are quite separate and distinct from the 5 rem per generation figure referred to above and apply to the statutory dose limits specified by the United States Nuclear Regulatory Commission. As also stated in the answer to question No. 2,749, the action taken by the United States is essentially the same as that taken by the Atomic Energy Control Board of Canada in 1974. Accordingly, it is incorrect to suggest that the acceptable dose limits in the U.S. are lower by a factor of 100 than the applicable Canadian limits.

BIOLOGICAL STUDIES ON RADIATION

Question No. 2,752—**Mr. Francis:**

1. Were recent biological studies made by AECL showing that low-levels of radiation alter substantially the estimates of the genetic risks to human populations from exposure to ionizing radiation and, if so, does the government feel that acceptable levels of low-level radiation exposure should be altered?

2. Have findings of AECL been collaborated by any other outside research source?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: 1. The most recent Atomic Energy of Canada Limited studies concerning the relationship between genetic risks and exposure to ionizing radiation suggest that less of the genetic disease in human populations is of a kind that increases with radiation than was formerly believed to be the case. Notwithstanding these encouraging findings, we agree with the overall consensus of authoritative world opinion that the existing maximum permissible radiation exposure limits for man, as recommended by the International Commission on Radiological Protection, are adequately conservative and should be retained.

2. Atomic Energy of Canada Limited's findings concerning the relationship between genetic disease and radiation dose have not yet been confirmed elsewhere but are under discussion in Canada and abroad.

HEAVY WATER

Question No. 2,753—**Mr. Francis:**

1. Is hydrogen sulphide used in making heavy water for CANDU nuclear generating stations?

2. Is hydrogen sulphide lethal or otherwise dangerous to public health?

3. What amounts of hydrogen sulphide are released into the environment near a CANDU reactor?

Hon. Mitchell Sharp (President of the Privy Council): 1. Hydrogen sulphide is used in the Girdler Sulphide (GS) process used in Canada for making heavy water.

2. Hydrogen sulphide is a substance comparable in its toxic properties to hydrogen cyanide and sulphur dioxide. Depending on the exposure time, hydrogen sulphide can be

lethal to humans if the concentration breathed exceeds about 500 parts per million (ppm) of air.

3. Hydrogen sulphide is used in the process of making heavy water for CANDU reactors but the product, heavy water, contains no hydrogen sulphide; hence no hydrogen sulphide is released from CANDU reactors. For economic reasons, plants that produce heavy water are sometimes located at CANDU nuclear power plant sites and are supplied with process steam from the CANDU plants. In any case, the amount of hydrogen sulphide released to the environment from heavy water production plants is strictly controlled to prevent damage to the environmental considerations in determining the licenced limits for releases arising from normal operation of heavy water production plants using the Girdler Sulphide process.

COST OF ENERGY DEVELOPMENT

Question No. 2,755—**Mr. Francis:**

1. How much money per family in Canada is it estimated will be spent on energy development over the next 20 years?

2. How much money will be allocated to the top ten energy sources and what total amounts are involved?

Hon. Mitchell Sharp (President of the Privy Council): The Department of Energy, Mines and Resources reports as follows: 1. Attached Table 1 shows capital expenditures per family on energy from 1975-1990. Figures for 1991-1995 are at present unavailable. Expenditures per family should not be equated with expenditures by families since some of the investment will come from foreign sources.

2. It would be difficult to specify the top ten energy sources. Nuclear, thermal and hydroelectricity; oil and natural gas; and coal will be the only major sources of energy over the period covered. Geothermal, solar or tidal energy will not be significant sources in this century. Also pipelines are not themselves directly energy sources but are a vital component of energy expenditures.

Attached Table 2 shows a breakdown of energy expenditures over the 1975-1990 period for the major categories listed above.

Table 1

Capital Expenditures on Energy Per Family
Canada 1975-1990

Year	Total Capital Expenditures (millions of 1974 dollars)	Families (thousands)	Capital Expenditures Per Family (1974 dollars)
1975	6,585	5,683	1,200
1976	6,990	5,815	1,200
1977	7,255	5,950	1,200
1978	9,890	6,088	1,600
1979	11,455	6,227	1,800
1980	13,267	6,386	2,100
1981	12,495	6,508	1,900
1982	13,165	6,649	2,000
1983	15,560	6,788	2,290
1984	17,960	6,926	2,600
1985	16,905	7,061	2,400
1986	15,100	7,195	2,100
1987	15,345	7,324	2,100
1988	15,105	7,449	2,000
1989	16,820	7,570	2,200
1990	18,215	7,568	2,400

Table 2

Total Energy Capital Expenditures
1975-1990 by Major Energy Source

(Millions of 1974 Dollars)

1. Electricity[1]	110,940
2. Petroleum[2]	60,800
3. Pipelines	24.820
4. Coal and Uranium	9,000
5. Coal Gasification	3.550
6. Heavy Water Plants	3.035
Total	212,145

[1]Includes nuclear, thermal and hydroelectricity.
[2]Includes petroleum and natural gas exploration, development, refining, marketing and distribution and oil sands plants.

RADIOACTIVE WASTE—PUBLIC INFORMATION

Question No. 2,756—**Mr. Francis:**

With reference to the annual report of the AECL which states "waste management is an important part of the nuclear program" and a "significant effort" will be made to make sure that "ultimate solutions are optimum in terms of public acceptance", will the government be starting a programme of public information to set before the people the alternatives so that public acceptance will reflect informed public opinion?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: The development of a radioactive waste management program is more than a technical matter. The management process includes matters of regulatory policy and responsibility at various levels of government and also the broader consideration of the responsibilities which present generations can be allowed to bequeath to future generations. These larger considerations are matters of public concern. As a consequence, the techniques for storage of radioactive waste and the intent of responsible agencies must be properly explained in public forums. A program of public information has been initiated by Atomic Energy of Canada Limited consisting of talks to public groups and articles in scientific journals and is expected to be enlarged as details of the management program are developed.

JAMES BAY PROJECT

Question No. 2,757—**Mr. Francis:**

Is the government or the Government of Quebec planning to enrich uranium using electricity from the James Bay Project and, if so (a) will they use U-235 or plutonium (b) where will the fuel come from?

Hon. Mitchell Sharp (President of the Privy Council): The Department of Energy, Mines and Resources reports as

follows: Neither the federal nor Quebec governments are planning to enrich uranium using electricity from the James Bay Project. A group called CANADIF, of which the James Bay Development Corporation is a member, has conducted a preliminary study of the possibility of constructing a uranium enrichment plant in Quebec. CANADIF recently announced that it was deferring for six months a decision whether or not to proceed with more detailed studies.

REPROCESSING OF SPENT FUEL

Question No. 2,758—**Mr. Francis:**

Is Atomic Energy of Canada Limited planning to reprocess spent fuel from CANDU reactors and, if so, in what way?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: A main responsibility of AECL is to develop advanced reactors and related systems to enable the country to make best use of domestic resources in this field under the circumstances that may obtain in twenty years or so. These circumstances may include a tight uranium supply; in which case it will be advantageous to have available more efficient fuel cycles than the present one. Such fuel cycles may require plutonium recovered from the spent fuel from CANDU reactors. Fuel cycles involving plutonium recycle will halve the requirement for fresh uranium. AECL will therefore engage in the development of fuel reprocessing as a necessary step to the development of advanced reactors.

LICENCES FOR NUCLEAR REACTORS

Question No. 2,759—**Mr. Francis:**

Is the Atomic Energy Control Board considering holding public hearings on licences for nuclear reactors as is the practice in the United States?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: The board is not empowered under the Atomic Energy Control Act to hold formal public hearings as is the practice in the United States. This matter is under the continuing consideration of the board.

FILM "THIS NUCLEAR AGE"

Question No. 2,760—**Mr. Francis**

1. (a) What was the purpose of the film "This Nuclear Age" and a second film about the Douglas Point Generating Station (b) how much did each cost?

2. Are the films contrary to government policy of energy conservation and, if so, are there plans to withdraw them?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy of Canada Limited reports as follows: 1. (a) The film "This Nuclear Age" was produced to inform Canadians about the uses being made in Canada of nuclear energy—for the production of electricity, in the diagnosis and treatment of disease and in industrial processes; about research and development work in nuclear laboratories, and about the roles played in the nuclear program by governments, utilities, private companies and universities. The film "Douglas Point Nuclear Power Station" was produced for the purpose of informing Canadians about nuclear fission, the system developed in Canada for the employment of fission for the generation of electricity and the installation and operation of the system in Canada's first full-scale nuclear power station. (b) "This Nuclear Age" and the French-language version, "En Cet Age Nucleaire", cost $89,760. "Douglas Point Power Station" and the French-language version, "La Centrale Nucleaire Douglas Point", cost $62,065.

2. Atomic Energy of Canada Limited does not consider the films to be contrary to government policy of energy conservation.

ATOMIC ENERGY CONTROL BOARD LICENCES

Question No. 2,762—**Mr. Francis:**

Prior to June 4, 1974, was any licence issued by the Atomic Energy Control Board revoked, suspended or amended and, if so, what were the circumstances that led to such a decision?

Hon. Mitchell Sharp (President of the Privy Council): Atomic Energy Control Board reports as follows: Yes. Twenty-eight licences were revoked or suspended because of violations of the Atomic Energy Control Regulations or non-compliance with the terms and conditions of Atomic Energy Control Board licences. A few examples of violations or non-compliance are:—failure to wear monitoring films; failure to use monitoring equipment; failure to report incidents; operating without properly qualified personnel. Licences are often amended at the request of licensees as the scope and extent of their operations change. The amendment of a licence implies no failure to meet required standards.

DEVELOPMENT OF NUCLEAR ENERGY

Question No. 2,763—**Mr. Francis:**

With reference to the answer to Question No. 1,715 stating that the government is committed to the development of nuclear energy in Canada (a) what discussions, if any, did the government undertake with environmentalist or other groups before taking such decision (b) were the people of Canada, in the opinion of the government fully informed of the risks involved in the development of nuclear energy and of the alternative future sources of energy before the decision was taken?

Hon. Mitchell Sharp (President of the Privy Council): The Department of Energy, Mines and Resources reports as follows: (a) The Canadian government's support for the development of nuclear energy in Canada extends back in time for three decades. As early as 1945 commitments were made to convert the war-time legacy of nuclear energy to peaceful purposes. The major reasons were to provide access to the enormous store of energy in Canadian uranium and to enable Canada to compete in an increasingly technological world. In 1946, the government of the day, aware of the possible risks inherent in nuclear technology, promulgated the Atomic Energy Control Act and formed

the Atomic Energy Control Board to regulate the industry in terms of public health and reactor safety. At that time no environmental protection organizations were taking any interest in this area. Nonetheless, government and industry were making every effort to carefully protect the environment and to keep the public fully informed. Continuous programs of public education on nuclear power have been carried out, for example, by Atomic Energy of Canada Limited and Ontario Hydro since the start-up of the Nuclear Power Demonstration reactor at Rolphton in 1962. Since the recent development of organized public interest in this field and the formation of new groups, however, many discussions both public and private have taken place, and many questions asked by such groups have been answered to their apparent satisfaction by the Atomic Energy Control Board, Atomic Energy of Canada Limited and Ontario, Quebec and New Brunswick electric utilities. (b) In view of the foregoing, it is clear that consultation with the people of Canada has been taking place on a continuous basis since the start of this development. Recently, for example, an environmental assessment was completed of the proposed New Brunswick Point Lepreau Nuclear Station by a panel of experts led by the Department of the Environment. A public meeting was held to review the report and many public briefs were presented. Conditional environmental approval for the reactor was given by the Department of the Environment on the basis of all this information. Had Canada not gone ahead as she did, U.S. light water reactors would now be the major alternative source of energy. An industry employing tens of thousands would not exist, Canada would not have the very successful Pickering Generating Station and would not be in the forefront of technological development in this field.

PRIME MINISTER'S RESIDENCE

Question No. 2,773—**Mr. Cossitt:**

Was there any damage of any kind to the premises at the Prime Minister's official residence at 24 Sussex Drive as a result of blasting operations in connection with the construction of a swimming pool and, if so (a) what is a full description of such damage (b) what is an estimate of the amount of such damage and the cost that would be involved in repairs (c) on what specific dates was blasting carried out and by whom?

Hon. C. M. Drury (Minister of Public Works): No. (a) n/a; (b) n/a; (c) n/a.

CAFETERIAS IN GOVERNMENT DEPARTMENTS

Question No. 2,776—**Mr. Lambert (Bellechasse):**

1. With respect to the cafeterias of the (a) Lester B. Pearson Building (Department of External Affairs) (b) Place de Ville-Tower "A" (Public Service Commission) (c) R. H. Coats Building (Tunney's Pasture) who are the concessionnaires and how were the concessions awarded in each case?

2. Were grants made to any of the concessionnaires and, if so (a) how were they determined (b) what was the amount of the grant?

3. Can an employee of one department or agency eat in any of the other cafeterias?

Hon. C. M. Drury (Minister of Public Works): 1. (a) Lester B. Pearson Building (Department of External Affairs): The concessionnaires Crawley and McCracken Company Limited who was selected by public tender. (b) Place de Ville Tower "A" (Public Service Commission): The federal government is not responsible for any of the commercial eating facilities in Place de Ville Tower "A". (c) R. H. Coats Building (Tunney's Pasture): There is no cafeteria located in this building. The occupants of the building use the cafeteria located in the adjoining Statistics Canada Building. The concessionnaire is Lorne Murphy Foods Limited who was selected by public tender.

2. No grants were made to the concessionnaire operating in the Lester B. Pearson Building and the R.H. Coats Building.

3. Yes.

DON JOY

Question No. 2,779—**Mr. Munro (Esquimalt-Saanich):**

1. On what date was Mr. Don Joy appointed as "exempted staff" attached to one or other of the Ministers of government?

2. To what Minister is he attached?

3. What are his duties?

4. How many other "exempted staff" are on that Minister's staff?

5. In what salary ranges do the salaries of these appointees fall?

6. For what duration is the appointment of Mr. Joy?

Hon. Mitchell Sharp (President of the Privy Council): 1. October 15, 1974.

2. The Leader of the Government in the Senate.

3. Special Assistant—duties as assigned by the Minister.

4. Eight.

5. 1—up to $25,000; 3—up to $21,000; 2—$11,871 to $12,992; 1—$11,340 to $12,409; 1—$9,239 to $10,102.

6. Indeterminate.

SOLAR GRAIN DRYING INSTALLATIONS

Question No. 2,785—**Mr. Hnatyshyn:**

To the knowledge of the government were more than 40 solar grain drying installations operated in midwestern states of the United States in the fall of 1974 and were thousands of bushels of grain dried using solar energy under experimental conditions and, if so, is the government having experimental work of that nature done in Canada?

Hon. E. F. Whelan (Minister of Agriculture): Officials of the Department are aware that solar drying of grain has been done in the United States, but cannot confirm the number of installations and the quantity of grain dried. The Department is not currently conducting experimental work on solar drying of grain.

COST OF "INDUSTRY, TRADE AND COMMERCE ANNUAL REVIEW, 1973/74"

Question No. 2,796—**Mr. Huntington:**

What was the total cost to the Department of Industry, Trade and Commerce to compose and publish the *Industry, Trade and Commerce Annual Review 1973/74*?

Hon. Mitchell Sharp (President of the Privy Council): The total cost of the Industry, Trade and Commerce Annual Review 1973/74 is $32,289.

Order Paper Questions

CONTRACT FOR CARPET AT MONTREAL MIRABEL AIRPORT

Question No. 2,797—**Mr. Saltsman:**

1. Has the contract for carpet for the Montreal Mirabel Airport been let and, if so (a) to whom (b) what manufacturer is producing it?

2. (a) How many square yards are involved (b) what is the estimated cost per square yard (c) what type of carpet has been specified (nylon, wool, acrylic, etc.) (d) what performance guarantee has been given?

3. Was a wool carpet specified at an installed price approximately three times higher than nylon carpet and, if so (a) for what reason (b) how many Canadian carpet manufacturers were excluded by such choice?

4. How many different manufacturers were represented in bids against the tender for carpet specified by the government?

5. Was this contract specified as giving any preference whatsoever to Quebec made products although it is a federal project and, if so, what are the details?

Hon. Mitchell Sharp (President of the Privy Council): 1. Two contracts for carpet for the New Montreal International Airport in Mirabel have been awarded. (a) The contract for pure virgin wool yarn with polypropylene chain carpet backing has been awarded to T. Eaton Co. The contract for pure virgin acrylic on polypropylene primary backing and density foam secondary backing carpet has been awarded to Lavoie & Sauvé Inc. (b) The pure virgin wool carpet is manufactured by Blackwood Morton Kilmarlock Co. (B.M.K.) of St. Therese de Blainville, Quebec. The pure virgin acrylic carpet is manufactured by St. George International of Ville St-Georges de Beauce, Quebec.

2. (a) Involved are 14, 245 square yards of pure virgin wool carpet and 2,803 square yards of pure virgin acrylic carpet. (b) Installed and including underlay, the cost per square yard is $30.66 for the pure virgin wool carpet and $7.73 for the pure virgin acrylic carpet. (c) Pure virgin wool yarn with polypropylene chain carpet and pure virgin acrylic on polypropylene primary backing and density foam secondary backing carpet had been specified. (d) The performance guarantee is the following: 12 month guaranty as per General Conditions of Canadian Government Contracts. This guaranty period will start at the date of final acceptance of work and it is signed by the manufacturers, the sub-contractors and the contractors; All repairs or replacements, as well as any damage to other trade's work caused by a defect of the work of this section during the said guarantee period, shall be entirely at the expense of the signatories; The guarantee shall be handed to the Engineer before final acceptance of work. The day the final certificate of completion is issued shall be the day the Engineer, the Consultant and the Construction Manager issue the said Final Certificate of completion and this guarantee will take effect the same day; Furthermore, the Contractor shall compensate the Engineer for all damages resulting from defective work within the scope of this guarantee; Neither field inspection, nor approval of sample materials or part of work, nor final acceptance of work or payment of work by the Engineer shall free the Contractor from responsibility concerning defective workmanship or materials; The guarantee called for in this section shall not alter civil liability as established by articles No. 1688 and No. 2259 of the Province of Quebec Civil Code, and shall in no way restrict guarantees exceeding the one normally furnished by some manufacturers.

[Mr. Sharp.]

3. The pure virgin wool carpet was neither specified nor tendered at an installed price of approximately three times higher than nylon carpet. (a) A pure virgin wool carpet was specified in the highly travelled areas by the public for reasons of durability. Pure virgin acrylic carpet was specified in areas where carpet would usually be needed for aesthetical as well as acoustical reasons and where the public would not walk. (b) It is not possible to estimate how many Canadian carpet manufacturers were excluded.

4. Since bidders were not requested to provide the name of the manufacturers in their tender documents, it was impossible to know the name of the supplier of the unsuccessful bidders.

5. No.

VOTES RECORDED BY UN GENERAL ASSEMBLY

Question No. 2,799—**Mr. Kaplan:**

1. How many votes were recorded by the UN General Assembly in each of its plenary and six committee sessions in the years 1972, 1973 and 1974?

2. In how many and what percentage of votes in each session did Canada (a) vote yes (b) vote no (c) abstain (i) with explanation (ii) without explanation (d) refrain?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. and 2. (a), (b) and (c): Records of votes in United Nations Committees are not readily available. The record for the General Assembly is set out below: (i) The U.N. General Assembly considered and adopted 170 resolutions and sub-resolutions in its 27th Session in 1972; 168 resolutions and sub-resoluitons in its 28th Session in 1973; 3 resolutions at the Sixth Special Session of UNGA in 1974; and 179 resolutions and sub-resolutions in its 29th Session in 1974. (ii) At the 27th Session of UNGA in 1972, 50 (29.4 per cent) resolutions were adopted unanimously, without opposition or without a vote; Canada specifically voted in the affirmative on 83 (48.8 per cent) resolutions; Canada voted in the negative on 5 (2.9 per cent) resolutions; Canada abstained on 32 (18.8 per cent) resolutions; and Canada did not refrain from voting on any resolutions. (iii) At the 28th Session of UNGA in 1973, 66 (39.3 per cent) resolutions were adopted unanimously, without opposition or without a vote; Canada specifically voted in the affirmative on 70 (41.7 per cent) resolutions; Canada voted in the negative on no (0 per cent) resolutions; Canada abstained on 32 (19.0 per cent) resolutions; and Canada did not refrain from voting on any resolutions. (iv) At the Sixth Special Session of UNGA held in May of 1974, three resolutions were adopted by consensus. (V) At the 29th Session of UNGA in 1974, 90 (50.3 per cent) resolutions were adopted unanimously, without opposition or without a vote; Canada specifically voted in the affirmative on 62 (34.6 per cent) resolutions; Canada voted in the negative on 4 (2.2 per cent) resolutions; Canada abstained on 23 (12.8 per cent) resolutions; and Canada did not refrain from voting on any resolutions.

2. (c) i) and ii): A precise response cannot be provided to the question regarding the occasions Canada explained an abstention and those when Canada abstained without explanation. No detailed records are kept in this regard and only a portion of the explanations of vote are published in U.N. documents and in Canadian delegation

reports. Furthermore, on some occasions time and U.N. procedures do not provide the opportunity to explain a vote; on other occasions, Canada's vote in abstention is recorded in what is generally considered the good company of other states and on those occasions an explanation by each Member State taking that position would be needlessly time-consuming and repetitive; finally, Canada explains its vote with sufficient frequency whether it be positive, negative, or an abstention, to ensure that when it does not, the reason for our position is usually obvious and self-explanatory.

NUMBER OF PERSONS PERMITTED TO AWAIT TRIAL ON BAIL ON CHARGES

Questions No. 2,802—**Mr. Beatty:**

1. For each year since 1970 and by province or territory, how many persons were permitted to await trial on bail on charges of (a) murder (b) rape?

2. How many such persons (a) were ultimately convicted of the crime with which they had been charged (b) are currently awaiting trial?

3. How many such persons were charged with committing a second offence while on bail and of these, how many (a) were subsequently convicted of the second offence (b) are still awaiting trial for the second offence?

4. How many persons charged with (a) murder (b) rape are currently out on bail awaiting trial and what is the distribution by province or territory?

5. By year and province or territory, how many persons described in Part 1 (a) did not subsequently report for trial at the appointed time and place and what was the offence with which they were charged (b) are currently still at large?

Hon. Mitchell Sharp (President of the Privy Council): 1. No such statistics are available. The possibility of obtaining such statistics on a routine basis is being explored, but it appears that the cost would be considerable. For offences such as murder or rape it is possible that some information could be supplied for individual provinces by their Attorneys General.

2. To 5. Not applicable.

COST OF REORGANIZATIONAL STUDY OF AIR CANADA

Question No. 2,804—**Mr. Huntington:**

1. What was the original cost quoted by McKinsey and Company Inc., a management consultant firm from Manhatten, New York, to carry out its 1970 reorganizational study of Air Canada?

2. What was the final cost to Air Canada on completion of the study?

3. What recommendations were made by the consultants to Air Canada?

4. Were the recommendations implemented by Air Canada?

Hon. Mitchell Sharp (President of the Privy Council): The management of Air Canada advises as follows: 1, 2, 3, 4. The information requested is considered privileged and is not made public on the grounds that it relates to the internal operation of the airline.

POST OFFICE DEPARTMENT HOUSEHOLDER DIRECTORIES

Question No. 2,805—**Mr. Herbert:**

1. What use is made by the Post Office Department of the householder directories which it compiles and publishes?

2. (a) How many are published (b) at what cost?

3. How many have been sold in a one year period?

Hon. Bryce Mackasey (Postmaster General): 1. The Canada Post Office uses householder directories: (a) To provide directory service for mail that is undeliverable due to incomplete, incorrect or illegible addressing. (b) To provide (free of charge) senators and members of parliament with an up-to-date list of constituents in federal ridings. (c) To provide (free of charge) charitable organizations, government departments and the National Library, etc. with an up-to-date list of householders for all areas not covered by commercial directories to assist them in research and in addressing of their mail. (d) To sell to customers and thereby assist in correct addressing of mail, enabling the Post Office to provide faster and more efficient service. In the case of large volume mailers, the availability of these lists generates third class mailings which are an additional source of revenue for the department.

2. (a) The Post Office publishes 145 different householder directories. These cover a total of 198 federal electoral districts (the balance of the electoral districts are covered by private directories). The total number of copies published is 8,884. (b) The printing cost for the fiscal year 1974-75 is $34,963.76.

3. The number sold in the fiscal year 1974-75 is 2,292.

NATIONAL DEFENCE—EXPENDITURES SINCE 1945

Question No. 2,809—**Mr. Roberts:**

1. For each year since 1945, what was the total net expenditure for National Defence?

2. What percentage do the figures represent of the total budgetary expenditure?

3. For the same years, what was the total expenditure on capital goods?

4. What is the total manpower of the Armed Forces since 1945?

Hon. James Richardson (Minister of National Defence): 1, 2, 3 and 4. The data requested is all contained in the following:

DEPARTMENT OF NATIONAL DEFENCE
EXPENDITURE/MANPOWER DATA
1946-47 TO 1973-74

	DND Net Expenditure ($000,000)	DND Expenditure as a percentage of Federal Expenditure	DND Capital Expenditure ($000,000)	Armed Forces Manpower (Note 2)
1946-47	388	14.7	Note 1	36,535
1947-48	196	8.9	1	34,762
1948-49	269	12.4	1	41,676
1949-50	385	15.7	1	47,185
1950-51	782	27.0	232	68,427
1951-52	1,415	37.9	662	95,394
1952-53	1,882	43.4	986	104,427
1953-54	1,806	41.5	935	112,529
1954-55	1,666	39.0	776	118,077

1955-56	1,750	39.5	755	116,678
1956-57	1,759	36.3	732	117,092
1957-58	1,668	32.8	540	119,038
1958-59	1,425	26.6	508	120,412
1959-60	1,515	26.6	381	119,597
1960-61	1,518	25.5	364	120,055
1961-62	1,626	24.9	406	126,474
1962-63	1,575	24.0	325	123,694
1963-64	1,683	24.5	300	120,781
1964-65	1,536	21.3	262	114,164
1965-66	1,549	20.0	257	107,467
1966-67	1,639	18.6	257	105,721
1967-68	1,754	17.8	301	101,676
1968-69	1,761	16.4	289	98,340
1969-70	1,789	15.0	263	93,353
1970-71	1,818	13.8	225	89,563
1971-72	1,895	12.8	224	84,933
1972-73	1,982	12.3	176	82,402
1973-74	2,232	11.1	238	81,822
1974-75	2,508	–	268	78,984

NOTE 1: Public Accounts and other budget presentations during the period 1945-50 which are now available for analysis do not identify capital expenditure in sufficient detail to provide data comparable to that displayed from 1950-51 onward.

NOTE 2: The figures in this column do not include Reserve Forces.

NOTE 3: DND net expenditures and capital expenditures for 1974/75 are unaudited figures. Total federal expenditures are not yet available, hence the percentage could not be calculated.

DEPARTMENT OF THE SECRETARY OF STATE—PERSONNEL

Question No. 2,810—**Mr. Lambert (Edmonton West):**

1. In order to supplement or to replace the general translation services provided by the Department of the Secretary of State, which departments or ministries have organized or are contemplating organizing translation sections within their own establishment?

2. Are the personnel on loan from the Secretary of State or are they taken on strength by such department or ministry?

3. By department or ministry, what is the respective number of persons or number of man-years involved?

4. What is the public service classification and salary range of all persons heading up any such section or group?

5. What is the estimated cost of operating such a section or group for each department?

6. As the result of any such steps or if any others are in contemplation what will be the change in numbers of the translation service of the Department of the Secretary of State?

7. What are the reasons advanced for the change in organization and function as described above?

8. What is the estimated cost of the separate and additional sets of manuals, dictionaries, etc., and office equipment for such sections or groups?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by several departments as follows: 1. None. The Translation Bureau has a clear mandate in this area, established by the Translation Bureau Act (Section 3(1)). However, approximately 600 of the Bureau's translators are physically located in various departments.

2. to 8. Not applicable.

[Mr. Richardson.]

SHADOW RENTAL BILLINGS

Question No. 2,813—**Mr. Herbert:**

What are the amounts by department or reporting ministry of the shadow billings sent out by the Department of Public Works to indicate rentals that would otherwise be payable?

Hon. C. M. Drury (Minister of Public Works):

Department of Public Works Shadow Rental Billings
Fiscal Year 1974-75

Department or Reporting Ministry/Agency	Amount of Shadow Billings
Agriculture	9,432,866.67
Atomic Energy Control Board	4,708.34
Auditor General	215,299.45
National Emergency Planning Establishment	826,477.68
Canadian International Development Agency	1,216,446.54
Canadian Intergovernmental Conference	53,224.50
Canadian Penitentiary Service	245,941.95
Canadian Radio and Television Commission	648,067.38
Canadian Transport Commission	1,056,100.93
Chief Electoral Officer	121,942.37
Commissioner, Official Languages	137,979.55
Communications	2,168,817.75
Consumer and Corporate Affairs	4,471,828.18
Defence Research Board	188,656.63
Food Prices Review Board	89,987.47
Economic Council of Canada	142,216.69
Energy, Mines and Resources	9,321,227.35
Energy Supplies Allocation Board	26,486.25
Environment	12,769,336.46
External Affairs	4,170,943.43
Federal Court of Canada	720,350.09
Finance	1,293,789.39
Government Annuities Branch	64,688.31
House of Commons	2,116,441.16
Immigration Appeal Board	458,925.09
Indian and Northern Affairs	7,138,209.52
Industry, Trade and Commerce	3,709,161.64
Information Canada	1,082,773.96
Insurance	271,123.55
International Joint Commission	26,374.09
Justice	2,574.255.09
Labour	1,051,548.89
Canada Labour Relations Board	211,245.03
Library of Parliament	125,257.12
Manpower and Immigration	18,942,086.38
Members of Parliament--Local Offices	1,090.80
Ministry of Science & Technology	352,137.83
National Defence	17,049,888.32
National Energy Board	437,410.59
National Film Board	3,791,417.97
National Health and Welfare	11,206,258.41
National Library	496,310.55
National Museums	3,343,912.43
National Parole Board	814,904.01

National Research Council	1,895.971.24
Revenue Canada–Customs and Excise	11,515,294.86
Revenue Canada–Taxation	16,620,837.39
Bureau of Pensions Advocates	142,496.93
Post Office	71,488,171.23
Privy Council	926,316.54
Public Archives	2,436,021.75
Public Service Commission	4,556,691.14
Public Service Staff Relations Board	189,401.84
Regional Economic Expansion	2,747,138.29
Representation Commissioner	7,788.54
Royal Canadian Mounted Police	5,972,723.79
Science Council of Canada	110,635.87
Secretary of State	3,634,219.52
Secretary to the Governor General	708,372.25
Senate	323,340.60
Solicitor General Secretariat	440,016.82
Statistics Canada	7,884,326.43
Supply and Services (Service and Administration)	6,966,675.46
Tariff Board	77,240.73
Tax Review Board	148,929.38
Transport	9,522,422.98
Treasury Board	1,199,896.11
Urban Affairs	551,563.50
Veterans Affairs	3,227,470.65
Total	277,882,079.63

SHADOW RENTAL BILLINGS

Question No. 2,814—Mr. Herbert:

What are the amounts by department or reporting ministry of the shadow billings sent out by the Department of Supply and Services to indicate the costs of services that would otherwise be payable?

Hon. Mitchell Sharp (President of the Privy Council): The value of services provided without charge by the Department of Supply and Services and communicated to departments and agencies is as follows:

Department or Agency	Amount ($000's)
Agriculture	$1,280
Atomic Energy	10
Auditor General	13
Canadian Film Div. Corp.	1
Canadian International Development Agency	118
Canadian Livestock Feed Board	32
Canadian Radio – Television Commission	11
Canadian Transport Commission	33
Chief Electoral Officer	4
Commissioner of Official Languages	2
Communications	134
Consumer and Corporate Affairs	120
Defence Research Board	54
Economic Council	8
Energy, Mines and Resources	272
Environment	1,194
Governor General	5
House of Commons	227
Indian Affairs and Northern Development	2,085
Industry, Trade and Commerce	134
Information Canada	43
Insurance	166
Justice	22
Labour	38
Library	10
Manpower and Immigration	3,171
Medical Research Council	7
National Defence	5,391
National Energy Board	7
National Film Board	135
National Harbours Board	69
National Health and Welfare	10,622
National Museums	91
National Research Council	348
National Revenue – Customs and Excise	1,078
National Revenue – Taxation	1,752
Post Office	3,084
Privy Council	20
Public Archives	29
National Library	4
Public Service Commission	161
Public Service Staff Relations Board	4
Public Works	1,181
Regional and Economic Expansion	150
Royal Canadian Mint	30
Royal Canadian Mounted Police	668
Science Council of Canada	3
Secretary of State	142
Senate	7
Solicitor General	785
Statistics Canada	330
Transport	2,108
Veterans Affairs	2,435
External Affairs	261
Representation Commission	2
Board of Grain Commissioners	52
Passport Office	3
Science and Technology	6
Urban Affairs	2
Canadian Pilotage Authority	16

These figures were furnished to departments mentioned above to be included in the amount for services provided by other departments shown in their Main Estimates for fiscal 1975/76.

Order Paper Questions

AIR CANADA—TRANSFER OF PAINTING TO MR. YVES MÉNARD

Question No. 2,817—**Mr. MacKay:**

1. Was ownership of a painting formerly owned by Air Canada transferred to Mr. Yves Ménard, former Vice-President of Marketing for Air Canada, to mark the occasion of his departure from the company and, if so, on what date did this occur and what were the circumstances?

2. What was the value of the painting?

3. Was the painting ever officially valued by a qualified appraiser of art work?

4. What was the original cost to Air Canada of the painting?

5. What was the total value of art work and paintings purchased by Air Canada for the private enjoyment or decoration of offices of its executives since 1968?

6. Under whose guidance and direction are *objets d'art* acquired for Air Canada and for what stated purpose is this justified as company policy?

Hon. Mitchell Sharp (President of the Privy Council): The management of Air Canada advises as follows: 1. On the occasion of his departure from Air Canada, a group of friends and business associates held a reception for Mr. Yves Ménard on April 14, 1975. At that reception, Mr. Ménard was presented with a painting which had hung in his office and which had become a favorite of his. This painting had been purchased from Air Canada with funds donated by the group of friends. The full purchase price was paid, with no discount or subsidy.

2. $1,000.

3. No.

4. $1,000.

5. Approximately $56,000.

6. Over the past several years, Air Canada has occasionally purchased paintings for use as decoration in Maple Leaf Lounges, in other public areas and in the offices of senior management. This is considered to be in line with similar practices in private industry.

DEPARTMENT OF SUPPLY AND SERVICES—CONTRACT NO. SS08-KF832-4-2187

Question No. 2,818—**Mr. Beatty:**

1. With respect to contract number SS08 KF832-4-2187 (0SS5-2002) announced in the June 1975 edition of the *Research and Development Bulletin* issued by the Department of Supply and Services, what is a full description of the nature of the work to be done?

2. On what date is the final work to be submitted and how many man-hours are expected to be required in its preparation?

3. What are the component parts of the cost figure of $40,700?

4. On what date and how was the project advertised?

5. Who were the other persons or organizations bidding on the contract and what were their bids?

6. Who was the official in the Department of the Environment responsible for assessing the bids for the contract and what was his title?

7. Who is the official in the Department of the Environment to whom Mr. Childerhose's final work will be submitted and what is his job title?

8. (a) During what periods has Mr. Childerhose been an employee of the government (b) what was his title (c) what were his responsibilities?

9. (a) What other work has Mr. Childerhose done for the government (b) for whom was it done (c) what was its cost?

[Mr. Sharp.]

Hon. Mitchell Sharp (President of the Privy Council): The contractor will expedite the preparation of and maintain close liaison with the planning, designing, writing, illustrating, collating, printing, proofreading, and distributing of approximately 32 scientific/technical reports and their related six overview reports within targeted deadlines. These reports cover research being conducted by the Beaufort Sea Project to determine the environmental impact of offshore drilling in the Beaufort Sea.

2. April 30, 1976; 320 man-days including sub-contractors.

3. Principal Consultant, 100 days at $180, $18,000; Publications Designer, 20 days at $135, $2,700; Graphic Artists, 100 days at $90, $9,000; Artist, 75 days at $90, $6,750; Photo Editor, 25 days at $90, $2,250; Travel and Living, $2,000 Total $40,700.

4. Not advertised. Copies of invitation to tender mailed to all likely persons or firms including those supplied by the Department of Supply and Services.

5. Mr. C. V. Stanley Jones $38,600; Colonist Printers $40,000; Fleming-Review Printing Ltd. $41,840; We Hosldath Consultants Ltd. $50,700.

6. Mr. Allen R. Milne, Project Manager, Beaufort Sea Project.

7. Mr. Allen R. Milne, Project Manager, Beaufort Sea Project.

8. (a) November 1, 1970 to May 1, 1974. (b) Information Officer. (c) To supply information related to Departmental programs.

9. (a) Co-ordination and preparation of material for publication on the biology of the Pacific Salmon and steel head trout. (b) Pacific Biological Station, Nanaimo, B.C. (c) $21,500.

NUMBER OF PERSONNEL HIRED BY PUBLIC SERVICE COMMISSION TO IMPLEMENT BILL C-7, C-57 AND C-58

Question No. 2,821—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Department of Finance for duties relating primarily to the implementation and administration of (i) Bill C-7, An Act to enable Banks to be incorporated by letters patent and to enable capital stock of banks to be held and voted by provincial governments (ii) Bill C-57, An Act to amend the Federal-Provincial Fiscal Arrangements Act, 1972 (iii) Bill C-58, An Act to amend the Income Tax Act?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) and (b) (i) Nil. (ii) Nil. (iii) Nil.

2. Not applicable.

NUMBER OF PERSONNEL HIRED BY PUBLIC SERVICE COMMISSION TO IMPLEMENT BILL C-16

Question No. 2,826—**Mr. Clark (Rocky Mountain):**

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Department of National Health and Welfare for duties relating primarily to the implementation and administration of Bill C-16, An Act to amend certain statutes to provide equality of status thereunder for male and female persons?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) This department has not hired anyone through the Public Service Commission for duties relating to the implementation and administration of Bill C-16 (b) None. Bill C-16 has no bearing on the department's legislation and/or programs.

2. Not applicable.

NUMBER OF PERSONNEL HIRED BY PUBLIC SERVICE COMMISSION TO IMPLEMENT BILLS C-23 AND C-52

Question No. 2,828—Mr. Clark (Rocky Mountain):

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Treasury Board for duties relating primarily to the implementation and administration of (i) Bill C-23, An Act to provide for the payment of superannuation benefits to Lieutenant Governors (ii) Bill C-52, An Act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. Jean Chrétien (President of the Treasury Board): In so far as the Treasury Board Secretariat is concerned: 1. (a) and (b) (i) Nil. (ii) Nil.

2. N/A.

NUMBER OF PERSONNEL HIRED BY PUBLIC SERVICE COMMISSION TO IMPLEMENT BILL C-35

Question No. 2,829—Mr. Clark (Rocky Mountain):

1. As of May 15, 1975, how many persons have been hired (a) by the Public Service Commission (b) under contract by the Department of Industry, Trade and Commerce for duties relating primarily to the implementation and administration of Bill C-35, An Act to amend the Statistics Act?

2. In each case, what was the date of the original employment or commencement of contract?

Hon. Mitchell Sharp (President of the Privy Council): 1. In so far as Statistics Canada is concerned, no persons had been hired by the Public Service Commission or under contract as of May 15, 1975, for duties relating primarily to the implementation and administration of Bill C-35, an act to amend the Statistics Act.

2. Not applicable.

ACQUISITION OF LANDS FOR NATIONAL WILDLIFE AREAS

Question No. 2,834—Mr. Clark (Rocky Mountain):

1. With what provinces is the government negotiating regarding the acquisition of lands for national wildlife areas and, in each case, what lands are under discussion?

2. By province and territory, what is the (a) total amount of acreage now dedicated to national wildlife areas (b) name of each such area?

Hon. Mitchell Sharp (President of the Privy Council): 1. Although the department has met with the provincial wildlife departments and has discussed where national wildlife areas could be established, the department is not presently negotiating for any specific area. When ready to acquire a specific area, provincial concurrence would be obtained before commencing negotiations. An agreement was signed with the province of Saskatchewan covering the Last Mountain Lake Wildlife Management Area providing for the conservation, management and development of wildlife resources, the area is comprised of approximately 15,000 acres of federal Crown lands and 8,000 acres of provincial Crown lands. There also exists an agreement with the province of Manitoba to undertake joint programs to rehabilitate, develop, and manage the Delta Marsh.

2. Please see the following:

National Wildlife Areas

Province	Name	Area (acres)	Area by Province (acres)
Nova Scotia	Chignecto		
	(a) John Lusby Marsh	1,047	
	(b) Amherst Point	700	
	Sand Pond	1,285	
	Wallace Bay	1,104	4,136
New Brunswick	Portage Island	1,114	
	Shepody	1,155	
	Tintamarre		
	(a) Jolicure Lakes	2,816	
	(b) Fort Beausejour	177	5,262
Quebec	Baie de l'Île Verte	305	
	Cap Tourmente	5,256	
	Lac St. François	2,830	
	Îles de Contrecœur	206	
	Îles de La Paix	299	8,896
Ontario	Big Creek Marsh	1,450	
	Dover Marsh	620	
	Eleanor Island	2	
	Hahn Marsh	402	
	Mohawk Island	5	
	Mississippi Lake	580	
	Weller Bay	100	3,159
Manitoba	Pope Reservoir	77	77
Saskatchewan	Last Mountain Lake	14,984	
	Stalwart	1,562	
	Tway Lake	240	
	Bradwell	320	
	St. Denis	892	17,998
Alberta	Blue Quills Marsh	240	240
British Columbia	Alaksen	669	
	Donleal Farms	367	
	Little Qualicum	80	
	Rosewall Creek	31	
	Vaseux–Bighorn	904	
	Vaseux–West	719	
	Wilmer Marsh	725	3,495
			43,263

Order Paper Questions

BANNING OF AEROSOL CANS

Question No. 2,838—**Mr. Schellenberger:**

In regard to the current controversy surrounding the potentially dangerous effect of fluorocarbons on the earth's ozone layer, is the Minister considering banning the use of aerosol cans?

Hon. Mitchell Sharp (President of the Privy Council): Aerosol cans as well as other uses of fluorocarbons have been under review for some time. The assessment of Canadian scientists, based on a theoretical model, is that the fluorocarbons may pose a threat to the ozone layer. However, precise measurements of key chemical constituents in the stratosphere and other research are required in order to draw firm conclusions regarding the nature and seriousness of the threat. A decision on whether to restrict use of fluorocarbons in aerosol cans should be possible in one to two years depending on progress in making the necessary scientific measurements.

REMOVAL OF WASTEPAPER FROM PARLIAMENT HILL

Question No. 2,839—**Mr. Schellenberger:**

1. How many tons of paper waste are removed each year from Parliament Hill?

2. Who hauls away such waste?

3. What is the cost of removal?

4. Is such waste (a) recycled (b) incinerated (c) used as land fill?

5. In the case of Part 4 (b) and (c), would the Minister consider having it recycled as a demonstration of confidence in the long-term prospects of waste paper recovery and to provide an incentive to the recycling industry which would encourage others to become actively involved in the recycling process?

Hon. C. M. Drury (Minister of Public Works): 1. Based on household units the estimated yearly weight in tons is: (1) East Block, 80.18 tons; (2) Centre Block, 1,018.52 tons; (3) West Block, 393.12 tons; Total 1,491.82 tons.

2. Tri-Cil Waste Management Limited.

3. The cost of removal of waste paper for Parliament Hill was seven thousand forty-eight dollars ($7,048.00).

4. (c) Used as land fill.

5. A study was carried out jointly in late 1972 by Environment Canada, CADC and DPW to try and find a satisfactory solution to the problem of paper disposal from government buildings in the Ottawa-Hull area. This study revealed that the cost of separating and collection of office waste far exceeded any potential revenue. It was therefore agreed that, as an interim measure pending further study by Environment Canada, disposal of office waste paper from Parliament Hill would be included in the garbage contract.

[Mr. Sharp.]

CRITERIA USED TO DETERMINE BUILDING OF FEDERAL BUILDINGS

Question No. 2,840—**Mr. Schellenberger:**

1. What criteria are used to determine whether a federal building will be constructed in a town or city?

2. Has consideration been given to the construction of a federal building in Spruce Grove or Leduc, Alberta?

Hon. C. M. Drury (Minister of Public Works): 1. In general, the following criteria are used to determine whether a government of Canada building will be constructed in a town or city; (i) There must be a specific request by one or more federal departments or agencies for space in a particular locality or an economic advantage may have been identified in the regrouping of federal departments and agencies from existing accommodation, either Crown-owned or leased. Given a long-term growth projection for a community the eventual construction of Crown-owned facilities would generally be the optimum solution, although rented accommodation is often used in response to requirements for immediate additional accommodation. (ii) Within the context of economic viability a choice is made among various alternative solutions not restricted soley to Crown construction such as leasing, lease-purchase and build-to-lease. However, the economic factor is not necessarily the ultimate criteria as consideration must also be given to other objectives within the context of broader social, environmental, and other considerations.

2. The Department of Public Works has entered into a five-year lease, commencing November 1, 1974, for approximately 4,472 square feet of post office accommodation in Spruce Grove, Alberta. The department recognizes the rapid population growth in the area and a decision will be made well before 1979 on the alternative solutions available to satisfy the requirements of various federal government departments and agencies in Spruce Grove. A government of Canada building already exists in Leduc, Alberta, which is adequate in so far as current and projected federal accommodation requirements are concerned. At the present time the Department of Public Works is renovating the ground floor to meet post office requirements.

PRISON SECURITY

Question No. 2,843—**Mr. Beatty:**

Since the attempted prison breakout in British Columbia, has the government drawn up plans it intends to implement in the near future to increase security at all federal prison facilities in order to give some measure of protection to persons living near the prisons and, if so, what are such plans and on what date will they be implemented?

Hon. Warren Allmand (Solicitor General): The Canadian Penitentiary Service has, in 1974, undertaken the organization of a security branch and the review of its operational and preventive security procedures. Perimeter and internal physical security facilities were increased in all major institutions across Canada and these were provided with new weapons and electronic equipment to prevent escapes and serious incidents. Emergency plans were prepared in all these institutions in conjunction with the Department of National Defence and the police forces, and dynamic security training programs were initiated. The Canadian Penitentiary Service security programs are

under constant review by the preventive security division so as to provide a maximum of security not only for the personnel of the institutions but also for the public in general. The report of the Farris commission of inquiry has now been received by the commissioner of penitentiaries and is under review. All recommendations will be considered carefully and appropriate action taken.

GRANTING OF BAIL

Question No. 2,844—**Mr. Beatty:**

1. For each year since 1970, what percentage of persons charged with offences for which bail could be granted (a) were granted bail (b) were granted bail but violated the terms of their bail?

2. How many persons granted bail received it after (a) being convicted of a previous criminal offense (b) five or more previous convictions?

3. What percentage of the total number of persons granted bail are represented by those described in Part 2?

4. Since the proclamation of the Bail Reform Act, has the government conducted or commissioned any studies of the functioning of the Act and, if so (a) on what dates were such studies conducted (b) by whom (c) what were their conclusions?

Hon. Mitchell Sharp (President of the Privy Council): 1. No such statistics are available. See answer to Question No. 2,802.

2 and 3. Not applicable.

4. Yes. (a), (b) and (c)—After the passing of the Bail Reform Act a survey was conducted by Statistics Canada covering a sample of 12,698 persons charged with federal offences during the period January 1 to August 31, 1973. The results were turned over to the Justice Department on July 31, 1974 and were then analysed by an independent agency which reported to the department in late November. They were then sent to the provincial authorities for comment. The sample showed that about 91 per cent of persons included in the sample were released either by the police or by a justice or judge at some point before the final disposition of the case. Of these, about 6 per cent were known to have failed to appear in court at some time. The findings showed considerable variations in the operation of the act in the different regions. A summary of the results of the survey is contained in Mr. Lang's press release of February 10, 1975. In addition, a small piece of research on the working of the Bail Reform Act in the Ottawa region is being carried out by Ottawa University. Results so far indicate that there are considerable variations from one district to another. The study is expected to be completed before the end of the year and will eventually be published.

WAGE POLICIES

Question No. 2,846—**Mr. Forrestall:**

1. Did the Honourable Daniel J. MacDonald, the Honourable Donald Jamieson and the Honourable Allan MacEachen endorse publicly a full review of existing wage policies applied to public servants in Atlantic Canada, particularly with respect to the issue of national wage parity in Halifax June 16, 1974?

2. What is the government's best estimate of the number of public servants paid regional rates in the Atlantic Provinces at the present time, and what was the figure on or about June 16, 1974?

Hon. Mitchell Sharp (President of the Privy Council): 1. Please refer to answer given to Question No. 1255. 2. The number of public servants paid regional rates in the Atlantic Provinces was 10,858 as at June 1974 and 11,766 as at June 1975.

FOOTNOTES: (1) The source information does not identify specifically those people being paid regional rates. These figures were arrived at by identifying only the groups and subgroups in which regional rates are being paid.

SOURCE: Master Output Support File, Personnel Applications Centre, Department of Supply and Services.

CHILD CARE EXPENSES

Question No. 2,852—**Mr. Forrestall:**

1. Is the government aware of the annual cost for child day care paid by residents of the Halifax-Dartmouth metropolitan area and, if so, what is it?

2. What is the level of tax deductibility for such expense?

3. Is the government considering changing such level and, if so, on what date?

Hon. Mitchell Sharp (President of Privy Council): I am informed by the Departments of National Health and Welfare, National Revenue and Finance as follows: 1. The maximum cost to residents of the Halifax-Dartmouth metropolitan area for child day care in centres approved by the province for provincial subsidies is $1,725 annually per child. Actual charges, however, are determined by means of a sliding fee scale based on family income and family size with federal-provincial subsidies to cover the deficit between such charges and the above maximum costs.

2. This information is contained in the Tax Information Pamphlet "Child Care Expenses" which is available in all the District Taxation Offices and Information Canada.

3. This deduction from income for income tax purposes was introduced to allow for expenses incurred by working parents. Any changes made in the level of the deduction would have to be considered in the context of budgetary policy.

TRANSPORT—EXPENDITURES ON NATIONAL CAPITAL REGION CONTRACTS

Question No. 2,854—**Mr. Elzinga:**

1. By province or territory, how much money did the Department of Transport spend in contract amounts with the National Capital Region singled out in (a) 1968 (b) 1969 (c) 1970 (d) 1971 (e) 1972 (f) 1973 (g) 1974?

2. (a) What was the budget in contract amounts (b) what percentage of the budget was spent in each province or territory with the National Capital Region singled out in (i) 1968 (ii) 1969 (iii) 1970 (iv) 1971 (v) 1972 (vi) 1973 (vii) 1974?

Hon. Mitchell Sharp (President of the Privy Council):

PROVINCE	(a)(b)(c)(d)*	(e)1972-73**	(f)1973-74	(g)1974-75
	(In thousands of dollars)			
Newfoundland		14,706	16,347	27,309
Prince Edward Island		3,006	3,395	3,204
Nova Scotia		10,910	11,503	14,390
New Brunswick		3,998	4,348	16,773
Quebec		33,704	35,981	35,464

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(In thousands of dollars)

Ontario	10,724	11,674	13,813
Manitoba	3,507	3,722	4,419
Saskatchewan	2,109	2,336	4,238
Alberta	4,860	5,501	25,331
British Columbia	19,540	20,066	23,277
Yukon	702	800	748
North West Territories	6,902	7,700	8,856
National Capital Region***	64,488	68,706	72,888
Total	179,156	192,079	250,710

*data for these years is not available as statistics not maintained on a provincial basis until 1972-73

**data maintained on fiscal year basis only

***includes expenditures which cannot be allocated by province.

2. (a) Not available as budgets not maintained on a contract or provincial basis. (b) (i), (ii), (iii), (iv), (v), (vi), (vii) Not available as budgets not maintained on a contract or provincial basis.

EXPORTS OF CANADIAN GOODS

Question No. 2,856—**Mr. Forrestall:**

Does CIDA have any estimate of the dollar-value of any and all charges paid directly or with CIDA originating funds to port authorities, stevedoring agencies, handlers, etc. in the US since 1972 and (a) if so, what is it (b) if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. (a) No. (b) Part of the answer to this question is similar to the reply provided to part 7 of Mr. Forrestall's question no. 1596 which reads as follows: "The information is not available". Thus in further response to this question the information is not available since it cannot be readily broken down into the components requested as previously indicated in the reply to part 5 of Mr. Forrestall's question no. 2,182.

EXPORTS OF CANADIAN GOODS

Question No. 2,857—**Mr. Forrestall:**

1. Did the Minister of External Affairs order CIDA to undertake studies to determine what percentage of its aid shipments are using US ports and to determine what dollar value of CIDA funds are being funneled into US port authorities, stevedoring companies, handlers, etc. and (a) if so, on what date (b) if not, for what reason?

2. Is the Minister aware of any shipments by CIDA aid through US ports in the past three years which could have with equal ease and convenience been handled by a Canadian port such as Halifax-Dartmouth?

3. Would the Minister be prepared to cause an investigation to be made to determine if cases such as outlined in Part 2 have existed and, if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. (a) No. (b) Such occurrences are exceptional.

2. No.

3. Not applicable.

[Mr. Sharp.]

EXPORTS OF CANADIAN GOODS

Question No. 2,858—**Mr. Forrestall:**

Does CIDA have any estimate of the percentage of its aid shipments which are moved through US ports and (a) if so, for the past two years what was it (b) if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (a) The percentage estimated for the past two years is less than 1 per cent. (b) not applicable.

CIDA EXPORTS

Question No. 2,859—**Mr. Forrestall:**

Are statistics maintained on the value of Canadian goods and products exported by CIDA and (a) if so, for each year since its inception what were such values (b) if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): This question is the same as part 1 of Mr. Forrestall's question no. 1,596 and the answer as then is: Statistics on the value of Canadian goods and products exported by CIDA are not maintained and the analysis to obtain this information would be prohibitive in time, manpower and financial resources.

CIDA SHIPMENTS

Question No. 2,860—**Mr. Forrestall:**

1. With reference to the answer to Part 4 (a) of Question No. 1,596 under what specific circumstances does CIDA or their agents permit deviations from the policy as stated in the answer that "all shipments shall normally be made from Canadian Ports"?

2. Who is authorized to make such exceptions?

3. Under what statutory authority are such exceptions made?

4. How many such exceptions have been made in the past two years?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (1) The specific circumstances under which deviations have been permitted from the policy as stated are as follows: (a) In 1974, 15,000 metric tons of relief food aid was shipped under CIDA's bilateral grant aid authority to alleviate a sorghum shortage. By arranging the shipment from Houston, Northern Sales (1963) Limited, Winnipeg, saved CIDA the cost of railway transport which would otherwise have been charged for shipment from the U.S. to a Canadian port. (b) In 1975, two swathers urgently required for the harvest were shipped to Peru under CIDA's bilateral grant aid authority. Panelpina World Transport Limited, Montreal, arranged the land transportation to catch the shipment out of Long Beach for delivery by February. (c) In 1973, 56 metric tons of milk powder was produced for the World Food Program under CIDA's multilateral grant aid authority. The shipment was arranged in response to the Food and Agricultural Organization's priorities and as no vessels were available at that time in Canadian ports it was shipped out of Tampa. (d) Also under special circumstances specific components and items ordered by developing countries or their designate agents from Canadian suppliers under CIDA's loan and line of credit purchase authority have been shipped from U.S. ports to facilitate direct procurement.

(2) Program managers.

(3) Government contract regulations.

(4) Those indicated in part 1.

CIDA SHIPMENTS

Question No. 2,861—**Mr. Forrestall:**

Do CIDA and/or its agents have any procedures which permit them to monitor the policy enunciated in the answer to Part 4 (a) of Question No. 1,596 that "all shipments shall normally be made from Canadian ports" and (a) if so, what are such procedures (b) if not, with what degree of certainty can such a policy be enunciated?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (a) Yes, CCC standard procurement procedures call for tenders quoting delivery to a Canadian port and all tenders are reviewed by CIDA. (b) not applicable.

CIDA SHIPMENTS

Question No. 2,862—**Mr. Forrestall:**

1. Did CIDA request the Department of Supply and Services and/or the Canadian Commercial Corporation to give consideration to making further use of Canadian ports in exporting CIDA aid shipments and (a) if so, on what date (b) if not, for what reason?

2. Has the Minister of External Affairs reviewed this situation and, if so, does he agree and accept it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (1) No, since the guidelines for arranging shipments in pursuance of the policy quoted in part in response to part 4 of Mr. Forrestall's question No. 2183 dated March 26, 1975 were developed jointly by CIDA and CCC in consultation with other government departments and the Canadian Export Association.

(2) The minister has reviewed this situation and accepts that it is consistent with the government policy referred to and quoted in part in response to part 5 of Mr. Forrestall's question No. 2183 dated March 26, 1975.

DEPUTY SOLICITOR GENERAL

Question No. 2,875—**Mr. Clark (Rocky Mountain):**

What is the total number and name of each agency, office or individual with any responsibility for security or intelligence matters which reports to Mr. Roger Tassé (a) in his capacity as Deputy Solicitor General (b) in any other capacity?

Hon. Warren Allmand (Solicitor General): Canadian Penitentiary Service, National Parole Board and Service, Royal Canadian Mounted Police. Ministry Secretariat: Two, Mr. Robin P. Bourne. Nil. Assistant Deputy Minister, Police and Security; Mr. Walter Uhryniw, Security Officer. (a) Both report to Mr. Roger Tassé in his capacity as Deputy Solicitor General. (b) Not applicable.

FEDERAL REGULATORY AGENCIES

Question No. 2,876—**Mr. Beatty:**

What are the names of all federal regulatory agencies and, in each case (a) what is its present budget (b) what is its staff complement (c) for what statute(s) does it draw its authority (d) what are its functions (e) on what date was it first established (f) how has its staff complement and budget changed since its creation?

Hon. Jean Chrétien (President of Treasury Board): The information requested on federal regulatory agencies is as follows: 1. Canadian Radio-Television Commission (a) $9,746,000. (b) 446 man-years. (c) Part II of the Broadcasting Act. (d) To regulate and supervise all aspects of the Canadian broadcasting system. (e) April 1, 1968. (f) First full year of operations appeared in the 1968-69 Main Estimates with a budget of $1,714,000 and 164 man-years, which is an increase of $8,032,000 and 282 man-years in seven years.

2. Atomic Energy Control Board (a) $11,167,000 ($2,112,000 operating, $9,055,000 grants). (b) 83 man-years. (c) Atomic Energy Control Act. (d) The control and supervision of the development, application and use of atomic energy. (e) Incorporated February 1952 under the Companies Act. (f) First full year of operation appeared in the 1953-54 Main Estimates with a budget of $359,240 ($59,240 operating, $300,000 grants) and 10 man-years which is an increase of $10,807,760 ($2,052,760 operating, $8,755,000 grants) and 73 man-years in 22 years.

3. National Energy Board. (a) $7,292,000. (b) 324 man-years. (c) National Energy Board Act. (d) To enquire into, hear and determine any matter concerning the producing, selling, buying, transmitting, exporting, importing or otherwise of hydrocarbons or power (e) November 1, 1959. (f) First full year of operation appeared in the 1960-61 Main Estimates with a budget of $496,260 and 57 man-years which is an increase of $6,795,740 and 267 man-years in 15 years.

4. Foreign Investment Review Agency, (a) $3,512,500. (b) 159 man-years. (c) Foreign Investment Review Act. (d) To review and assess the acquisition of control of Canadian business enterprises by certain persons and of the establishment of new business in Canada by certain persons. (e) Partially proclaimed April 9, 1974; fully proclaimed July 17, 1975 (f) First full year of operation appeared in the 1975-76 Main Estimates with budget shown in (a) and (b) above; therefore there has been no change.

5. Canada Labour Relations Board, (a) $2,371,000. (b) 99 man-years. (c) Part V of the Canada Labour Code Act. (d) The exercise of regulatory powers relating to bargaining rights; declaration of single employer and a single bargaining agent; the investigation, conciliation and disposal of complaints relating to unfair labour practices; the disposal of complaints relating to technological changes affecting a number of employees; and, the declaration of unlawful strikes or lockouts (e) Proclaimed March 1, 1973. (f) First full year of operation appeared in the 1974-75 Main Estimates with a budget of $1,671,000 and 95 man-years which is an increase of $700,000 and 4 man-years in one year.

6. Public Service Staff Relations Board (a) $3,547,000. (b) 141 man-years. (c) Part I of the Public Service Staff Relations Act. (d) To administer the Act and in particular the employer- employee relations in the Public Service of Canada. (e) March 13, 1967. (f) First full year of operation appeared in the 1967-68 Main Estimates with a budget of $998,000 and 75 man-years, which is an increase of $2,549,000 and 66 man-years in eight years.

7. Canadian Transport Commission (a) $292,040,000 ($20,124,000 operating, $271,916,000 payments). (b) 901 man-years. (c) Part I of the National Transportation Act. (d) To promote the co-ordination and harmonization of the operations of all carriers engaged in transport by railways, water, aircraft, extra-provincial motor vehicle transport and commodity pipelines through effective economic regulations (e) September 19, 1967. (f) First full year of opera-

tion appeared in the 1968-69 Main Estimates with a budget of $129,634,200 ($4,600,900 operating, $125,033,300 payments) and 384 man-years which is an increase of $162,405,800 ($15,523,100 operating, $146,882,700 payments) in seven years.

LAND ASSEMBLY UNDER NHA, 1960-75

Question No. 2,880—**Mr. Knowles (Winnipeg North Centre):**

1. How many acres of land have been assembled with funds granted or lent under the provisions of the National Housing Act in each of the years 1960 to 1974 and in 1975 to date?

2. Of these, how many acres were used for (a) public housing (b) co-operative or non-profit housing (c) rental housing (d) privately owned housing?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. See Table 1 attached.

2. Data on the disposition of land, in terms of its end use, assembled and serviced under the NHA, are not available.

TABLE 1.

LAND ASSEMBLY AUTHORIZED UNDER THE NATIONAL HOUSING ACT
Canada, 1960 - July 1975

(Acres)

	Federal-Provincial Partnership Section 40		Loans for Land Assembly Section 42	
Year	Acquisition	Development	Acquisition	Development
1960	283.50	75.92	**	**
1961		403.43	**	**
1962	359.80	373.80	**	**
1963	4.20	496.40	**	**
1964	23.00	23.00	**	**
1965	186.10	246.10	**	**
1966	576.85	391.05	**	**
1967	2,437.82	850.66	15.35	
1968	6,903.60	535.90	2.51	
1969	2,016.80	371.70	3,724.72	100.50
1970	738.00	240.42	2,055.20	299.50
1971	1,228.60	472.93	1,897.36	674.44
1972	2,318.70	673.49	902.09	470.39
1973	286.00	745.40	18,214.06	391.90
1974	680.33	403.93	10,530.05	1,368.80
1975 (Jan.-July)		163.00	1,131.35	353.58

**Not applicable.

USE OF EXPRESSION "FÊTE DU CANADA"

Question No. 2,883—**Mr. Herbert:**

Does the use of the expression *Fête du Canada* in the magazine *Canada 1975* published by Statistics Canada indicate government approval of the phrase to designate the Canadian holiday celebrated on July 1?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada reports that the designation "Fête du Canada" does not appear as such in "Canada 1975". The caption containing the phrase (using a lower case "f") applied to a celebration in honour of Canada's birthday on July 1st. The English version of the caption employed the phrase "celebrating July 1, Dominion Day".

AGRICULTURAL SERVICES CENTRES AGREEMENT

Question No. 2,886—**Mr. Hnatyshyn:**

What has been the cost to date of the Agricultural Services Centres Agreement with Saskatchewan and for what projects?

Hon. Mitchell Sharp (President of the Privy Council): The answer for the Department of Regional Economic Expansion is as follows: The cost to the federal government of the Agricultural Services Centres Program for Saskatchewan, including loans, from its inception to June 30, 1975, is $4,457,031.36. The program provides for improvement of water supply and waste disposal facilities, with these projects being undertaken at the centres listed below. Assiniboia, $21,532.85; Biggar, $74,111.45; Canora, $57,890.77; Esterhazy, $655,723.28; Estevan, $123,278.95; Hudson Bay, $308,882.05; Humbolt, $50,615.11; Kamsack, $5,725.80; Kindersley, $10,899.22; Lloydminster, $529,165.90; Maple Creek, $211,271.01; Melfort, $10,000.00; Melville, $11,307.28; Moose Jaw, $644,188.88; Moosomin, $18,446.92; Nipawin, $19,187.26; North Battleford, $175,428.59; Prince Albert, $20,021.38; Rosetown, $109,882.48; Shaunavon, $75,794.23; Swift Current, $508,871.78; Tisdale, $10,000.00; Unity, $6,352.39, Weyburn, $697,615.49; Wynyard, $93,838.29; Yorkton, $8,000.00; Saskatchewan Summary, $4,457,031.36.

CANADA DAY

Question No. 2,887—**Mr. Herbert:**

Does the use made by CBC of the title "Canada Day" in its programming on July 1 indicate general public acceptance of this terminology and has the government noted this indication of national approval?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation that "Canada Day" was not used by the CBC as a description of the public holiday itself but as a program title for a particular production celebrating the anniversary of Confederation. On the French network of the CBC, the same program was titled "Fête du Canada". The CBC is not aware of any significant public reaction to the program title in English. The government feels that the majority of Canadians accept the terminology Canada Day/Fête du Canada.

DREE ADVERTISING

Question No. 2,888—**Mr. Brisco:**

Does DREE advertise in trade journals and magazines with reference to efforts to attract business and industry to areas receiving support under the DREE programme and, if so, where do responses go that are received from such ads?

Hon. Mitchell Sharp (President of the Privy Council): The reply for the Department of Regional Economic Expansion is as follows: No such advertising was carried out in 1974-75, nor to date in 1975-76.

TRAIL POST OFFICE

Question No. 2,890—**Mr. Brisco:**

1. On what date was the unloading ramp for the Post Office in Trail installed?

2. How much was the cost of the (a) installation (b) loading and unloading ramp?

3. How often is the facility used by the Trail Post Office?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Public Works and Post Office as follows: 1. December 6, 1974.

2. (a) $4,158.00. (b) Improvements to the loading and unloading ramp in the form of a scissors lift: $6,442.00.

3. The facility is not used at present, however it has been installed in readiness for handling inter-city containers.

STUDIES ON SUBJECT OF SUBLIMINAL ADVERTISING

Question No. 2,894—**Mr. Beatty:**

Did the government conduct or finance any studies on the subject of subliminal advertising in either the electronic or print media and, if so (a) by whom were they conducted (b) what were their conclusions (c) what was the nature of the work done (d) on what date were they completed (e) what was their cost (f) what action has resulted from their recommendations (g) from whom can copies be obtained?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Communications is concerned: no. In so far as the Canadian Radio-Television Commission is concerned: The Canadian Radio-Television Commission did not commission studies on subliminal advertising. However, in preparation for a public hearing on the subject, held on March 11th, 1975, an independent legal opinion and study of the status of subliminal advertising in other countries was obtained. The Research Branch of the Commission conducted a review of all existing studies on subliminal advertising. Both these documents were considered, in addition to the briefs submitted prior to the public hearing. These latter public representations are available from the Public Hearing Section of the CRTC Licensing Branch. As a result of the public hearing, the commission announced the following amendments to the Television Broadcasting Regulations on June 27, 1975: 1. The Television Broadcasting Regulations are amended by adding thereto, immediately after section 9 thereof, the following section: "9.1 (1) No station or network operator shall knowingly broadcast any advertising material that makes use of any subliminal device. (2) In subsection (1), "subliminal device" means a technical device that is used to convey or attempt to convey a message to a person by means of images or sounds of very brief duration or by any other means without that person being aware that such a device is being used or being aware of the substance of the message being conveyed or attempted to be conveyed."

Order Paper Questions

DISTRIBUTION OF PUBLICATIONS

Question No. 2,896—**Mr. Herbert:**

1. Is the primary distribution of all publications the responsibility of the author department?

2. Is there any centralized control of such activity?

3. Does Information Canada only list publications that have been received from the author departments?

4. If a publication has not been previously forwarded to Information Canada by the author department by what means can a Member of Parliament become aware of its existence before it is out of date?

5. Do all government publications bear an issue date?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. Yes, except for distribution to full-depository and selective-depository libraries, as described in article 67 of the Policy and Guide on Canadian Government Publications, which is the duty of Information Canada. Information Canada has the responsibility of being the main source for the distribution of priced publications.

2. No.

3. All priced publications appear in the *Daily Checklist*, as do publications received from the author departments.

4. Not applicable.

5. Yes.

GASOLINE AND DIESEL FUEL

Question No. 2,897—**Mr. Hnatyshyn:**

Is 29 percent of the gasoline and 40.6 percent of the diesel fuel sold each year in the Province of Saskatchewan used by farmers in the production of food and, if so, what efforts are being made by the government to develop alternatives to petroleum fuels for other prime movers (tractors) which can operate on other energy sources?

Hon. Mitchell Sharp (President of the Privy Council): The Department of Energy, Mines and Resources reports as follows: About 29 percent of the gasoline and 40 percent of the diesel fuel sold each year in Saskatchewan are used by farmers. It is highly probable that gasoline and diesel oil will be the principal fuels for prime movers for a number of years into the future. While the use of alternative sources of energy for motor vehicles is not expected for many years, government research is directed to the most efficient application of energy in all of its uses and to conserving petroleum for its most important applications, including transportation.

REGIONAL EMPLOYMENT EFFECTS OF JUNE 1975 BUDGET

Question No. 2,898—**Mr. Forrestall:**

1. Does the government have any estimate of the number of persons presently employed in Atlantic Canada who will lose their jobs as a result of the measures contained in the budget of June 23, 1975 and, if so, what is the figure for (a) Atlantic Canada (b) Nova Scotia?

2. Does the government have any estimate of the number of jobs which otherwise would have been created but which will be foregone in Atlantic Canada as a result of the budget of June 23, 1975 and, if so, what is the estimate for (a) Atlantic Canada (b) Nova Scotia?

Hon. Mitchell Sharp (President of the Privy Council): 1. and 2. It is estimated that, at the national level, the net impact of the budgetary measures will be a small increase in employment; the strong employment effects of the

direct employment programs are a key factor in this result. While no detailed estimates have been made of the net impact on employment by region or province, it would be reasonable to expect the net increase in employment to be relatively larger is areas, such as Nova Scotia and the Atlantic provinces in general, which benefit particularly from the direct employment program. The overall fiscal stance resulting from the June budget remains stimulative, i.e. the shift to stimulus introduced by the November 1974 budget is maintained. Thus employment in all regions of the country is being sustained by the overall fiscal stance; further support to levels of employment and real income in Canada east of the Ottawa valley is provided by the continued significant subsidy on imported petroleum.

EFFECT OF $3.4 MILLION CUTBACK IN EXPENDITURES ON BEDFORD INSTITUTE OF OCEANOGRAPHY

Question No. 2,899—**Mr. Forrestall:**

What effect, if any, will the $3.4 million cutback in expenditures on additional resources for fleet operations by the Department of the Environment have on the Bedford Institute of Oceanography?

Hon. Mitchell Sharp (President of the Privy Council): Curtailment of the department's fleet operations and the programs they support.

EFFECT ON SMALL CRAFT HARBOURS IN NOVA SCOTIA BY $10 MILLION CUTBACK

Question No. 2,900—**Mr. Forrestall:**

What projected small craft harbours in Nova Scotia will be affected by the $10 million cutback in government expenditures?

Hon. Mitchell Sharp (President of the Privy Council): Canso, Cape St. Mary's, Chester Basin, Chester Ironbound, Cheticamp Point, Dingwall, Gnaff Beach, Hampton, Meat Cove, Meteghan, New Haven, Pinkneg's Point, Point Aconi, Smelt Brook, Vogler's Cover, West Head.

NOVA SCOTIAN PROJECTS AFFECTED BY $10 MILLION CUTBACK BY DEPARTMENT OF PUBLIC WORKS

Question No. 2,903—**Mr. Forrestall:**

What projected Nova Scotian projects will be affected by the $10 million cutback in funding of capital expenditures by the Department of Public Works?

Hon. C. M. Drury (Minister of Public Works): At the present time we do not anticipate that any projected Nova Scotian projects will be affected by the $10 million cutback in funding of capital expenditures by the Department of Public Works.

NOVA SCOTIAN INTERESTS AFFECTED BY $135 MILLION CUTBACK IN FUNDING FOR FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 2,904—**Mr. Forrestall:**

What projected funding for Nova Scotian interests will be affected by the $135 million cutback in funding for the Federal Business Development Bank?

[Mr. Sharp.]

Hon. Mitchell Sharp (President of the Privy Council): None. As a result of the deferral of the commencement of operations of the Federal Business Development Bank, and until it does commence operations, the Industrial Development Bank will continue to operate under its act of incorporation, meeting its requirements for funding from loan repayments, the sale of debentures to the Bank of Canada and the issue of share capital which under the Industrial Development Bank Act is subscribed by the Bank of Canada.

NATIONAL DEFENSE—EFFECTS OF CUTBACK IN CAPITAL EXPENDITURES ON MARITIME COMMAND

Question No. 2,905—**Mr. Forrestall:**

In what way will Maritime Command be affected by the $10 million cutback in capital expenditures by the Department of National Defence?

Hon. James Richardson (Minister of National Defence): No capital expenditure projects have been cancelled in Maritime Command. However, some current savings in capital expenditure have been achieved by deferring two projects on the East Coast and one project on the West Coast. These are: (a) the consolidation of heavy electrical repair facilities of the ship repair unit at Halifax into one building; (b) the improvement of the Sonar capability of the East Coast destroyers; and (c) the modification of the bridge on each of the Patrol Frigates on the West Coast.

NEWFOUNDLAND—REGISTRATIONS AT MANPOWER CENTRES

Question No. 2,912—**Mr. Marshall:**

1. How many clients were registered at the Canada Manpower Centres in (a) Corner Brook (b) Gander (c) St. John's (d) Stephenville (e) Labrador (f) Grand Falls (g) Happy Valley during the first quarter of 1975?

2. Of the clients registered in Corner Brook, Stephenville and St. Anthony during the first quarter of 1975, how many were between 14 and 25 years of age?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The following are the numbers of clients registered as being without employment at month end for each month of the first quarter 1975.

	January	February	March
(a) Corner Brook	8,074	8,252	8,325
(b) Gander	3,251	2,905	4,475
(c) St. John's	24,006	24,879	25,803
(d) Stephenville	3,872	4,172	4,679
(e) Labrador City	420	554	508
(f) Grand Falls	5,640	5,762	4,298
(g) Happy Valley	351	487	762

2. During March, of the 8,325 clients registered in Corner Brook (includes St. Anthony) 3,263 were under 25 years of age and of the 4,679 registered in Stephenville 2,259 were below the age of 25.

PUBLIC WORKS—PURCHASE OF FINE ARTS

Question No. 2,913—Mr. Ellis:

Since September 1972, what art has the Fine Arts Programme of the Department of Public Works commissioned, awarded or bought for all government buildings across Canada?

Hon. C. M. Drury (Minister of Public Works):

September 72-73

Project	Artist	Work	Total Cost
Federal Building, Matane, Province of Quebec	Serge Tousignant	Sculpture	$ 4,029.
Federal Building, Asbestos, Province of Quebec	Pierre Heyvaert	Sculpture	3,100.
Federal Building, Amqui, Province of Quebec	J. J. Besner	Sculpture	900.
Canada Centre for Inland Waters Burlington, Ontario	Merton Chambers	Mural	18,500.
Food and Drug Laboratories	Ed Zelenak	Sculpture	24,000.
Scarborough, Ontario	Robert Markle	Mural	17,750.
Great Lakes Forest Research Centre	Anne Kahane	Sculpture	23,000.
Sault Ste. Marie, Ontario		(not yet installed)	
Statistics Canada	Zbigniew Blazeje	Light Mural	24,093.45
Ottawa, Ontario			
Food and Drug Laboratories	Martin Hirschberg	Sculpture	38,000.
Ottawa, Ontario		(not yet installed)	
Place du Portage (1)	Henry Jones	Sculpture	91,748.
Hull, Province of Quebec		(not yet installed)	
	Maria Svatina	Tapestry	15,000.
	Marcelle Ferron	Stained glass panels	27,129.
National Science Library	Douglas Bentham	Sculpture	22,229.52
Ottawa, Ontario	Glenn Lewis	Mural	13,179.
	Joyce Weiland	Quilt	9,000.
	Michael Hayden	Mural	20,554.
	Robin Mackenzie	Plant Mural	22,000.
	Nobuo Kubota	Sculpture	18,328.25
	Jean Noel	Banners	18,000.
Freshwater Institute	Tony Tascona	Discs	48,681.55
Winnipeg, Manitoba	George Norris	Sculpture	

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Federal Building	F. Soucy	Sculpture	7,000.
Victoriaville, Province of Quebec			
Federal Building,	Carole Laflamme	Tapestry	3,000.
Lacolle, Province of Quebec			
Federal Buildings,	Patricia Marshall	Mural	2,000.
Salmon Arm, British Columbia			
Renovation, Ralston Building	Charlotte Lindgren	Tapestry	500.
Halifax, Nova Scotia			
Renovations, Conference Centre	Bruce Garner	Doors	15,000.
Ottawa, Ontario			

September 1974–July 1975

Federal Building	Richard Robertson	Sculpture	3,250.
Amherst, Nova Scotia		(not yet installed)	
Post Office	Françoise Déry	Sculpture	4,256.
Lac Mégantic, Province of Quebec			
Post Office	Bill Vazan	Sculpture	3,200.
Terrebonne, Province of Quebec		(not yet installed)	
Post Office	Louis Archambault	Sculpture	5,000.
St. Martin–Laval, Province of Quebec		(not yet installed)	
Post Office	Jean-Marie Delavalle	Sculpture	6,000.
Beloeil, Province of Quebec		(not yet installed)	
Post Office	Ed Falkenberg	Sculpture	3,000.

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Project	Artist	Work	Total Cost
Downsview, Ontario Post Office	Patricia Fulford	(not yet installed) Sculpture	2,500.
Stouffville, Ontario Lester B. Pearson Building,	Charles Gagnon	Memorial Mural	50,000.
Ottawa, Ontario Place du Portage II	Robert Weghsteen	Mural	39,299.17
Hull, Province of Quebec Statistics Canada Building,	Micheline Beauchemin	Tapestry	25,000.
Ottawa, Ontario Rideau Hall	Dr. Charles Comfort	(not yet installed) Portrait of Vanier	4,559.22
Ottawa, Ontario Canadian Grain Commission Building,	Hull, Province of Quebec John Nugent	Sculpture	60,000.
Winnipeg, Manitoba Churchill Town Complex	25 Baker Lake Wall Hangings	(not yet installed)	15,000.
Churchill, Manitoba	30 Paintings, prints and drawings by Eskimo and		8,000.
	20 Indian sculptures.		4,000.
	Total budget $78,000.	(joint funded by the Manitoba Provincial Government and Federal Government; our share, 55 per cent $43,000.)	
	3 more commissions to be awarded		
Federal Building, Powell River, British Columbia	Sherry Grauer	Sculpture (not yet installed)	5,414.70

EXPORT OF CANADIAN GOODS

Question No. 2,914—**Mr. Forrestall:**

1. On what date did the government bring to the attention of CIDA officials Question No. 1,596 and on what date did CIDA provide a reply?

2. What is the time period foreseen in the reply to Part 1 of Question No. 1,596 to complete the study referred to in the answer?

3. Is the Minister of External Affairs satisfied with this decision and, if so, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (1) On February 14, 1975 and June 20, 1975.

(2) No time period can be foreseen. Comparative statistics of Canadian Official Development Assistance and other official flows have been maintained by agreement with the Development Assistance Committee of the Organization of Economic Cooperation and Development, and are reported in the Annual Aid Review. Also, financial records as required for the management control of Canada's development assistance program, and by other control agencies, are maintained in accordance with the Financial Administration Act. Thus, goods and products exported under this program are not quantified statistically since there is an infinite number of things that can be classified in this manner and which can be selected according to the socio-economic basis of inquiry.

(3) Yes, as explained in part 2 of this answer.

PUBLIC WORKS—ERECTION OF BUILDING IN WATER STREET AREA, SAINT JOHN, N.B.

Question No. 2,915—**Mr. Landers:**

In regard to the new Public Works building planned for the Water Street area of Saint John, New Brunswick (a) what is the present status of the project (b) where does it stand on the priority list in relation to other Public Works buildings in the Maritime Provinces?

[Mr. Drury.]

Hon. C. M. Drury (Minister of Public Works): 1. The proposed new Government of Canada Building planned for Saint John, New Brunswick is at this time in the planning stage with completion not expected before 1980. The Department of Public Works is examining at this time the possible re-use, re-development or disposal of the existing Post Office building on Prince William Street. This building will be vacated by Canada Post Office in December, 1975 following completion of the new Post Office terminal building on Rothesay Avenue. Because of the tentative schedule for the new Government of Canada Building we expect to lease space from the private sector to meet government department client requirements for the next five years.

2. While the proposed new building does not have a priority rating at this time in relation to other planned Government of Canada Buildings in the Maritime provinces, it is planned to continue with the necessary studies for a completion date by 1980.

DEPARTMENT OF TRANSPORT "AN INTERIM REPORT ON FREIGHT TRANSPORTATION IN CANADA"

Question No. 2,918—**Mr. Forrestall:**

With reference to each port listed in exhibit 24 in the Department of Transport paper "An Interim Report on Freight Transportation in Canada" (a) what specific select commodities were used to obtain the 1974 volume handled figures (b) what was the source for each such figure?

Hon. Mitchell Sharp (President of the Privy Council): (a) The specific select commodity groups included were iron ore, coal, grain, general cargo (including containers) and forest products. (b) The first column of Exhibit 24 would more properly be headed "Estimated Volume

Loaded 1971". The sources for the grain, iron ore, coal, forest products and general cargo commodity groups were Appendices B-1, B-2, B-3, B-5 and B-9 respectively of the January 22nd, 1975 draft Forecast Transportation Flows and Capacity Requirements 1990 prepared by the Transportation Development Agency. The original sources for the commodity data are the Shipping Report Part IV, 1971, Statistics Canada Catalogue No. 54-206 and the Shipping Report Part V, 1971, Statistics Canada Catalogue No. 54-207. However, a number of aggregations and estimates were made using these figures. These qualifications are listed on the following page: Appendix B-1—All Grains: All data are from Statistics Canada 54-207 but flows to Canadian ports are aggregated with the nearest large port so that, for example, Thunder Bay-Toronto flows include flows to Kingston, Collingwood, etc. Appendix B-2—Iron Ore: Vancouver and certain Sept Iles iron ore data were provided by the Canadian Transport Commission Systems Analysis branch. Vancouver includes Tasu (British Columbia) etc. Toronto designates the port of Picton and Sudbury designates Depot Harbour and Little Current. All data except Vancouver and Sept Iles originate from Statistics Canada 54-207. Appendix B-3—Coal: All data are from SC 54-207. Aggregation again is used with, for example, Toronto being used as a designation for the Southeastern Ontario ports, including most importantly Port Credit. Appendix B-5—Forest Products: Cargo loaded figures were estimated by adding the newsprint and pulpwood figures given in Statistics Canada 54-207 and multiplying by 10/7. Cargo imported figures came from direct aggregation of forest products in Statistics Canada 54-206. Appendix B-9—All Other Commodities: Data are obtained by subtracting figures in B-1 through B-8 from Statistics Canada 54-206 numbers for the major ports. Clearly this is a rough estimate since the tables B-1 to B-8 have ports representing large areas, but 54-206 does not. In compiling the first column of Exhibit 24 the figures in table B-9, All Other Commodities, were used as a proxy for general cargo. In fact, the general cargo figures that were included, by mistake inconsistently included cargo loaded, and cargo unloaded from certain origins. In addition, Exhibit 24 does not include revisions and corrections made in the final version of the TDA report, Forecast Freight Transportation Flows and Capacity Deficiencies 1990, dated April 1975. Finally, some small differences remain between the TDA Appendix B and the Shipping Report which are a result of approximations or minor inaccuracies.

DEPARTMENT OF TRANSPORT—COST OF FACILITIES MENTIONED IN PAPER

Question No. 2,919—Mr. Forrestall:

With reference to exhibit 24 in the Department of Transport paper "An Interim Report on Freight Transportation in Canada" and the figures mentioned therein for approximate investment required to achieve 1390 capacity (a) what specific port facilities were contemplated (b) what is the cost for each such facility for the ports of (i) Toronto (ii) Montreal (iii) Quebec City (iv) Saint John (v) Halifax?

Hon. Mitchell Sharp (President of the Privy Council): (a) No specific port facilities were contemplated. (b) Approximate investments required to provide 1,990 capacity at Toronto, Montreal, Quebec City, Saint John and Halifax are broken down into requirements for different commodity groups in the following way:

Port	Iron Ore	Coal	Grain	General Cargo*	Forest Products	Total
			($ Million)			
Toronto	3.0	25.0	–	0.5	–	28.5
Montreal	–	–	5.0	(21.0)		26.0
Quebec City	–	–	–	100.0	3.0	103.0
Saint John	–	–	1.0	30.0	2.0	33.0
Halifax	–	–	1.0	20.0	0.5	21.5

* Includes containers

NITROGEN FERTILIZER

Question No. 2,922—Mr. Hnatyshyn:

Has it been estimated that by 1980 there will be a demand for 2,257,000 tons of nitrogen fertilizer for the production of food in Canada requiring 103.8 billion cubic feet of natural gas and, if so, what steps is the government taking to ensure that farmers have an adequate supply at prices which will enable them to operate?

Hon. E. F. Whelan (Minister of Agriculture): Yes. A number of estimates have been made and the results vary depending on the assumptions used. Agriculture Canada estimates that Canadian farm use of nitrogen for fertilizer in 1980 will be in the range of 750,000 to 900,000 short tons. In terms of product as used by farmers the tonnage equivalent would be in the range of 1,875,000 to 2,225,000 tons. The natural gas required to produce the above amounts of nitrogen would be in the range of 30 to 36 billion cubic feet. The present and planned nitrogen and fertilizer production capacity in Canada is more than adequate to meet the expected demand in 1980 and the years following.

CTS—AIR TRAVEL ACCOMMODATION

Question No. 2,923—Mr. Hnatyshyn:

With reference to the answer to Question No. 2,697 concerning the rules governing entitlement through the Canadian Government Central Travel Service of public servants to first class air travel accommodation within or without Canada, for each year 1973, 1974 and to July 1, 1975 what are the statistics respecting (a) the total number of air flights taken (b) the number of flights taken on first class accommodation (c) the total dollar value of all such flights (d) the total dollar value of first class accommodation taken?

Hon. Jean-Pierre Goyer (Minister of Supply and Services):

	1973	1974	1975 to end June
(a) total number of air flights taken	104,100	153,795	94,146
(b) total number of flights taken on first class accommodation	see note below		
(c) total dollar value of all flights	$16,099,290	$24,847,415	$16,037,950
(d) total dollar value of first class flight accommodation taken	see note below		

Order Paper Questions

NOTE: Individual departments have the responsibility for approving travel at a higher standard of accommodation in accordance with the reasons outlined in reply to question 2,697, *Hansard*, July 8, 1975, page 7352. Statistical records of individual cases generally are not maintained. The Central Travel Service does not maintain distinctive records of first class flights taken.

ENVIRONMENTAL STUDIES FOR PROPOSED RAILWAY RIGHT BETWEEN PRINCE RUPERT AND GROUNDHOG, B.C.

Question No. 2,924—**Mr. Brisco:**

Were any environmental studies conducted by the government or with its assistance for the proposed railway right of way between Prince Rupert and Groundhog, British Columbia and, if so, where can a report of such studies be obtained?

Hon. Mitchell Sharp (President of the Privy Council): The Ministry of Transport for Canada and the Ministry of Lands, Forests and Water Resources for the Province of British Columbia requested Canadian National to have environmental studies made in the territory of the proposed Meziadin Branch Line. A report of those studies will be submitted later this year.

PERMISSION TO IMMIGRANTS TO IMPORT HAND GUNS

Question No. 2,925—**Mr. Brisco:**

Are immigrants permitted to import hand guns as part of their personal possessions and, if so, what controls are employed by Customs and/or RCMP?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of National Revenue is concerned: Immigrants may import hand guns as part of their personal effects but such guns are released to the importer only upon production to Customs of Criminal Code Permit C-301. It is the responsibility of the importer to make applications for this permit to the local police authorities where he intends to reside. This permit is merely an authority to transport a hand gun from the Customs clearing point to the police station where the registrar of firearms registers it and issues another appropriate Criminal Code Permit.

CANADIAN POLICE INFORMATION CENTRE COMPUTER

Question No. 2,926—**Mr. Beatty:**

1. With respect to the Canadian Police Information Centre computer (a) on what date were criminal record synopses first put on line to all terminals (b) how many synopses are currently available (c) how many are expected to be added each month (d) what sort of information about an individual is kept in his synopses?

2. Are individuals whose records are placed in CPIC's data bank notified of such action and, if so, what procedures are available to them to challenge the validity of their synopses?

[Mr. Goyer.]

3. Does the government intend to place vehicle registrations in CPIC's data bank?

4. Does CPIC have any plans to further expand the categories of data in its data bank and, if so, what are they?

Hon. Warren Allmand (Solicitor General): By the Ministry of the Solicitor General: (Royal Canadian Mounted Police) 1. (a) July 2, 1975 (b) 1,027,718 (c) 3,500 (d) Individual's name, physical description, current status (free, on parole, incarcerated), date of first and last convictions, types of offence convictions, Fingerprint Section Number and classification.

2. No.

3. Matter presently being studied.

4. No.

CROSS-LANDING OF GRAIN

Question No. 2,927—**Mr. Huntington:**

1. For each of the past two crop years what was the tonnage and cost effect of cross-hauling grain to meet grain order requirements from (a) Alberta to Thunder Bay (b) Manitoba and Eastern Saskatchewan to Vancouver and Prince Rupert?

2. What were the ton-miles involved?

3. What was the cost of such cross-haul to the (a) farmer (b) railroads (c) government by reason of subsidy?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) Additional rail freight paid on grain shipped by the Canadian Wheat Board to Thunder Bay from country points in the Vancouver shipping region

	1972-73 Pool Account	1973-74 Pool Account
Wheat	$ 584,556	$ 10,979
Oats	102,759	133,605
Barley	183,382	306,468
Total	$ 870,697	$ 451,052

(b) Additional rail freight paid on grain shipped by the Canadian Wheat Board to Pacific Coast ports from country points in the Thunder Bay shipping region

	1972-73 Pool Account	1973-74 Pool Account
Wheat	$1,912,434	$1,674,042
Oats	—	—
Barley	5,159	42,241
Total	$1,917,593	$1,716,283

2. The cost in terms of manpower and time to provide an answer to this part of the question is prohibitive. It would be necessary for the Canadian Wheat Board to analyze shipping documents pertaining to more than 600,000 car shipments. It is estimated by the Board that in excess of 5,000 man-hours would be required to complete this analysis.

3. (a) The additional rail freight costs paid by the Canadian Wheat Board, as outlined in part 1 (a) and (b) of this reply, are charges to the pool accounts and accordingly

are borne by the grain producer. (b) and (c) Not known by the Canadian Wheat Board.

CHARTERS BY CANADIAN NATIONAL FOR GULF SERVICE, SOUTH COAST SERVICE AND LABRADOR SERVICE

Question No. 2,929—**Mr. McGrath:**

1. What are the names of all charters by Canadian National for the (a) Gulf service (Cabot Strait) (b) South Coast service (c) Labrador service?

2. Were tenders called for each charter?

3. Was the contract, in each case, awarded to the lowest bidder?

Hon. Mitchell Sharp (President of the Privy Council): 1. The following vessels are on charter by Canadian National Railways for service in East Coast Marine and Ferry Services. (a) Gulf: M.V. *Marine Atlantica* M.V. *Marine Nautica* M.V. *Marine Cruiser* M.V. *Marine Seatrader*. (b) Coastal: South Coast: M.V. *Sarah*; M.V. *Clyde*: M.V. *Dunure*; M.V. *Marine Trader*; *M.V. *Marine Sprinter* *M.V. *Marine Runner* M.V. *Percy M. Crosbie*. North Coast: M.V. *Kloster*; M.V. *Topsail Star*; M.V. *Marine Voyager*; M.V. *Mount Blair*; M.V. *Sandy Point*; M.V. *Stephenville*; M.V. *Newfoundland Coast*; M.V. *Marine Packer*.

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*Passenger Vessels

2. The gulf vessels were obtained on the world market through ship's brokers. Offers were requested and the charters resulted from negotiations on the offers received. Canadian National Railways advise that coastal vessels are obtained through tender calls.

3. Lowest offers are accepted subject to vessels meeting operational requirements of the service. A rating scale is developed for each vessel based on their various capabilities and past performance. The vessels are then selected on their achievement on the scale. This method of chartering for coastal vessels was approved by the Newfoundland Vessel Owners' Association.

INTERCEPTION OF MAIL BETWEEN CANADA AND UNITED STATES

Question No. 2,930—**Mr. Beatty:**

1. By year, since 1968, how many requests have been made by American authorities for the interception of mail coming from or going to the United States?

2. In each case (a) by whom was the request made (b) what was the response of the government?

Hon. Mitchell Sharp (President of the Privy Council): 1. The Post Office Department has not received any such requests.

2. (a) Not applicable (b) Not applicable.

PROSECUTIONS UNDER IMMIGRATION ACT, 1967-74

Question No. 2,931—**Mr. Friesen:**

1. How many travel agencies in (a) Vancouver (b) Toronto have been prosecuted for aiding and abetting persons to enter Canada with false documentation under the Immigration Act for each year 1967 to 1974?

2. In each case (a) how many convictions were obtained (b) what penalties were assessed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 and 2. To provide an accurate response to this question would require a manual examination of departmental records and additional staff to do it. Immigration officials however, cannot recollect any travel agencies in Vancouver or Toronto that have been prosecuted for the reasons stated in the question between 1967 and 1974.

REPAIRS TO FISHING PORT FACILITIES AT GRAHAM'S POND, P.E.I.

Question No. 2,932—**Mr. MacLean:**

Has the Department of Public Works made repairs to the damage caused by the storm of September 20, 1974, to the fishing port facilities at Graham's Pond, PEI and, if so (a) what was the cost involved (b) what was the nature and extent of the repairs and were they completed before the opening of the lobster fishing season of 1975 (c) who were the contractors or individuals employed and how much was paid to each?

Hon. C. M. Drury (Minister of Public Works): The department was not aware of damage caused by any storm of September 20, 1974 at Graham's Pond. The Department has made partial repairs to the damage caused by the storm of October 20, 1974. (a) Cost involved to date—$13,229.65. (b) and (c) Cleanup of debris from landings—performed by Andrew Mackenzie—Cost $990.00. Deck repairs to south breakwater—performed by William MacEwen—Cost $3,302.20. Crane dredging to remove debris and sand from inner run—performed by Joseph Chaisson—Cost $4,773.45. The above work was completed last fall. Further crane dredging to remove debris and sand from outer run performed prior to lobster season this spring by Joseph Chaisson—Cost $4,164.00. Tenders closed on July 23, 1975 for repairs to outer breakwaters and shore protection. This will complete the repairs.

MATSQUI INSTITUTION

Question No. 2,933—**Mr. Patterson:**

1. How many day passes were issued to inmates of Matsqui Institution from January 1 to June 30, 1975?

2. How many different individuals were recipients of day passes during the same period?

3. How many violations of such passes were registered during the same period?

4. How many different individuals were involved in such violations?

5. Were any day passes issued to inmates of the Matsqui Medical Centre in the same period and, if so, how many?

6. How many offenders incarcerated in Matsqui Institution since January 1974 are illegally at large?

Hon. Warren Allmand (Solicitor General):

Canadian Penitentiary Service	National Parole Board and Service
"day passes" means permits covering temporary leave of absence	"day passes" means certificates of day parole
1. 652	1. 84
2. 312	2. 82
3. None	3. None
4. None	4. None
5. 13	5. 3
6. not applicable	6. 2

Order Paper Questions

POST OFFICE—WHITE ROCK, B.C.

Question No. 2,934—**Mr. Friesen:**

1. Has the government any immediate plans to build a post office in White Rock, British Columbia and, if so, on what date will tenders be called?

2. If a building is to be rented (a) what date has the government given to the landlord for possession (b) what is the negotiated lease price?

3. Where will the post office be located?

Hon. C. M. Drury (Minister of Public Works): In so far as the Department of Public Works is concerned: 1. The government has no immediate plans to erect a new Post Office building in White Rock, British Columbia.

2. It is intended to satisfy the Post Office requirement on a rental basis, however no suitable facility has yet been identifid and therefore no possession date determined or lease price negotiated.

3. The Post Office will be located in White Rock, British Columbia, at a location which is acceptable to Canada Post Office.

SUPPLY AND SERVICES CONTRACT NO. 11ST T8200-4-4523 (OST5-0002)

Question No. 2,936—**Mr. Beatty:**

With reference to Supply and Services contract No. 11ST T8200-4-4523 (OST5-0002) described as "theoretical and experimental development programme in connection with the dynamic interaction between a railway train and its track" which will cost the taxpayers $421,000 (a) what is the purpose of the project (b) were tenders called and, if so (i) who were the other bidders (ii) what were their bids (c) on what date is the project scheduled to be completed?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) Purpose of the project is to obtain a better understanding of the interaction between a moving train and its stationary track with the objective of improving operations and the safety of users. (b) Tenders were not called because the requirement is a continuation of a Ministry of Transport—Canadian National Railways shared cost research programme. (c) The work under the present contract is scheduled to be completed by March 31, 1976.

NOTE: The contract file number for the work described in the question is 14ST-T8200-4-4514 rather than the number quoted in the question.

INTERCEPTION OF MAIL IN THE UNITED STATES

Question No. 2,937—**Mr. Beatty:**

1. By year since 1968, how many requests have been made to American authorities by the government for the interception of mail in the United States?

2. In each case (a) what was the reason for the request (b) by whom was it made (c) what was the American response?

[Mr. Allmand.]

Hon. Mitchell Sharp (President of the Privy Council): 1. The Post Office Department has not made any such requests.

2. (a) Not applicable; (b) Not applicable.

TAX CREDIT FOR REFINERS OF USED CRANKCASE AND INDUSTRIAL OIL

Question No. 2,938—**Mr. Schellenberger:**

Has the government considered introducing a tax credit for re-refiners of used crankcase and industrial oil as an incentive in order that millions of gallons of such oil may not be lost?

Hon. Mitchell Sharp (President of the Privy Council): The government has not considered a special tax credit for refiners of used crankcase and industrial oil. However, machinery and equipment used to process such oil is eligible for the two-year fast write-off as well as the 5 per cent investment tax credit thereby providing incentive to stimulate investment in such activities. It is felt that further tax incentives to encourage the recycling of such products would have a negligible effect on additional investment.

AIR CANADA—WESTERN CANADA FLIGHTS TO ENGLAND

Question No. 2,944—**Mr. Huntington:**

1. Does Air Canada service Western Canada with flights direct to England and, if not, for what reason?

2. Does Air Canada have charter flights out of Western Canada to Hawaii, Mexico or the Caribbean and, if not, for what reason?

3. Is an Air Canada pilot living in Vancouver paid $17,000 per annum less than a pilot with the same seniority and qualifications living in Montreal and, if so, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): The management of Air Canada advises as follows: 1. Yes, with flights from Vancouver, Edmonton, Calgary and Winnipeg.

2. The availability of Air Canada aircraft for charter purposes has been rather limited and as a result, the airline's priority has been to serve its own online route sectors first. The airline does not operate scheduled, direct services from western Canada to Hawaii, Mexico and the Caribbean and these areas are considered off line points. Nevertheless, a charter operation from western Canada to Hawaii is being conducted beginning this year and there are provisional plans to include other areas beginning next year.

3. Air Canada pilots are paid according to a formula based on their status as Captain, First Officer or Second Officer. Assuming they are flying the same type of aircraft, pilots with the same seniority, status and qualifications are paid the same in Montreal and Vancouver.

EGG PRICES

Question No. 2,947—**Mr. Gray:**

Are prices to be paid for eggs in Canada following the imposition of controls on imports of eggs from the United States and the recent amendments to the federal-provincial agreement on egg marketing now to be based on a cost of production formula and, if so (a) what is the formula (b) how was such a formula derived?

Hon. E. F. Whelan (Minister of Agriculture): The amendments to the federal-provincial agreement call for a reasonable return over time to producers and in order to achieve this objective CEMA has adopted a cost of production approach. (A) See Sessional Paper No. 301-4/73. (B) The formula was prepared by P.S. Ross & Partners, a firm of consultants who did an exhaustive study over a period of many months.

EGGS—PRODUCTION LEVELS

Question No. 2,948—**Mr. Gray:**

What steps have been taken to ensure that production levels set by the Farm Products Marketing Council and/or the Canadian Egg Marketing Agency pursuant to the federal-provincial agreement on egg marketing, as recently amended, accurately reflect domestic demand?

Hon. E. F. Whelan (Minister of Agriculture): CEMA, in consultation with the Farm Products Marketing Council, are continually monitoring production; inventories and disappearance. The quotas have been reduced by 10 per cent in all provinces with more than 2 per cent of the national quota.

EGGS—PRODUCTION LEVELS

Question No. 2,949—**Mr. Gray**

Do the production levels set by the Farm Products Marketing Council and/or the Canadian Egg Marketing Agency pursuant to the federal-provincial agreement on egg marketing, as recently amended, reflect demand and, if so, what controls have been instituted to ensure that production will not exceed these levels?

Hon. E. F. Whelan (Minister of Agriculture): See answer to Question 2,948. Heavy penalties have been set under the recent amendment to the federal-provincial agreement and each provincial board has provided a bond to CEMA to ensure payment of any necessary penalties.

EGGS—INTERPROVINCIAL TRADE

Question No. 2,950—**Mr. Gray:**

What steps have been taken to ensure that no barriers to interprovincial trade will occur under the new programme arising out of the federal-provincial agreement on egg marketing, as recently amended?

Hon. E. F. Whelan (Minister of Agriculture): Free movement of eggs interprovincially is a requirement of the Federal-Provincial Agreement.

EGG PRICES AND SURPLUS REMOVAL

Question No. 2,951—**Mr. Gray:**

Has CEMA been instructed to account publicly for all its decisions affecting egg prices and surplus removal and, if so, how will this be done?

Hon. E. F. Whelan (Minister of Agriculture): CEMA functions within the framework of a Federal-Provincial agreement supervised by the Farm Products Marketing Council. The Council will issue regular reports regarding the activities of all agrencies as provided in the Farm Products Marketing Agencies Act.

Order Paper Questions

EGG PRICES

Question No. 2,952—**Mr. Gray:**

When US egg prices rise, what assurance does the Canadian consumer have that domestic egg prices will not also rise?

Hon. E. F. Whelan (Minister of Agriculture): Should U.S. egg prices rise to provide an incentive for increased exports of eggs from Canada to the U.S.A., the Export and Import Permits Act would be used to protect supply and maintain reasonable prices in Canada.

EGG PRICES

Question No. 2,953—**Mr. Gray:**

According to CEMA projections, what will be the new egg prices in each province once the new egg marketing programme arising out of the federal-provincial agreement on egg marketing, as recently amended, is fully operational?

Hon. E. F. Whelan (Minister of Agriculture): See answer to question number 2947. The producer prices are being published weekly by Agriculture Canada and are available to the public.

SURPLUS EGGS

Question No. 2,954—**Mr. Gray:**

How many eggs have been removed as surplus from the Canadian market by (a) CEMA (b) provincial egg marketing agencies on behalf of CEMA during each week from and after April 1, 1974 to date?

Hon. E. F. Whelan (Minister of Agriculture): CEMA provided the following information. The figures below sets out the volume of eggs bought from egg grading stations in each week since April 1, 1974. These are not necessarily surplus to the Canadian market but surplus to the local market of that particular grading station at that point in time. The volume of eggs set out below was sold by CEMA (A) to the processing trade for manufacturing into products utilized by the bakery industry; (B) offshore for table use, and (C) into the USA for direct processing or for processing on a custom basis at time when Canadian processors were unable to process the volume on offer. Within the period CEMA has been financially responsible for all removals.

Date	15 Dozen Boxes	Date	15 Dozen Boxes
6/4/74	47,399	4/1/75	101,935
13/4/74	32,589	11/1/75	132,272
20/4/74	74,713	18/1/75	60,078
27/4/74	86,339	25/1/75	37,933
4/5/74	83,494	1/2/75	50,911
11/5/74	75,686	8/2/75	66,480
18/5/74	70,445	15/2/75	70,607
25/5/74	70,358	22/2/75	54,250
1/6/74	90,241	1/3/75	31,505
8/6/74	88,716	8/3/75	40,655
15/6/74	92,202	15/3/75	25,293
22/6/74	102,958	22/3/75	29,238

Order Paper Questions

29/6/74	85,614	29/3/75	42,802
6/7/74	62,285	5/4/75	46,520
13/7/74	73,943	12/4/75	20,559
20/7/74	74,114	19/4/75	14,820
27/7/74	68,301	26/4/75	16,668
3/8/74	60,882	3/5/75	24,518
10/8/74	25,507	10/5/75	38,280
17/8/74	22,957	17/5/75	47,520
24/8/74	42,524	24/5/75	53,699
31/8/74	35,805	31/5/75	42,411
7/9/74	36,013	7/6/75	51,012
14/9/74	35,268	14/6/75	38,874
21/9/74	25,424	21/6/75	36,703
28/9/74	26,912	28/6/75	45,700
5/10/74	28,654	5/7/75	37,501
12/10/74	33,183	12/7/75	37,257
19/10/74	26,707		
26/10/74	32,087		
2/11/74	37,324		
9/11/74	38,760		
16/11/74	35,360		
23/11/74	23,755		
30/11/74	10,012		
7/12/74	7,926		
14/12/74	18,838		
21/12/74	30,114		
28/12/74	26,547		

IMPORTED EGGS

Question No. 2,955—**Mr. Gray:**

How many eggs have been imported into Canada during each week from and after April 1, 1974 to date?

Hon. E. F. Whelan (Minister of Agriculture): The information is available from Statistics Canada publication—Trade of Canada Imports by Commodities Catalogue 65-007, Class 53-19.

EGGS IN STORAGE

Question No. 2,958—**Mr. Gray:**

For each province, what were (a) the maximum (b) the minimum lengths of time that eggs that were in storage under the jurisdiction of (i) CEMA (ii) provincial egg marketing boards in each week since April 1, 1974 had been in storage during each such week?

Hon. E. F. Whelan (Minister of Agriculture): See answers to questions 2,956 and 2,957.

WASTAGE OF EGGS

Question No. 2,959—**Mr. Gray:**

What steps have been taken to ensure that the wastage of eggs which occurred in 1974 will not be repeated?

Hon. E. F. Whelan (Minister of Agriculture): See answer to Question 2948. Also CEMA now require that all surplus to table egg requirements owned by CEMA be sold for processing within 7 days.

[Mr. Whelan.]

DEGRADE CANADIAN SURPLUS EGGS

Question No. 2,960—**Mr. Gray:**

Is it the intention of the government, while restricting imports of table eggs, to degrade Canadian surplus eggs and sell them in export markets for processing rather than make them available to lower income Canadians through special programmes or otherwise?

Hon. E. F. Whelan (Minister of Agriculture): The matter of egg marketing is the responsibility of CEMA under the terms of the legislation approved by Parliament and through an agreement approved by ten provincial governments and the federal government. The matter of import controls to protect supply management was authorized by Parliament under the Export and Import Permits Act and the volume of imports allowed under that Act relate to the volume imported in the base period 1969 to 1973. Respecting disposal of eggs see answer to question 2959.

CEMA—EXECUTIVE COMMITTEE

Question No. 2,961—**Mr. Gray:**

Will the Executive Committee to be appointed to direct CEMA include representatives of non-producers as recommended by the Food Prices Review Board in its second egg report and, if not, for what reason?

Hon. E. F. Whelan (Minister of Agriculture): Yes. The Committee of three, which has been appointed, includes one person who is a non-producer, one person whose main business is poultry and the Vice-Chairman of CEMA.

VITAMIN E CONTENT IN WHEAT AND WHITE FLOUR

Question No. 2,963—**Mr. Reid:**

1. What is the naturally occurring Vitamin E content of (a) No. 1 northern wheat (b) one loaf of bread made with (i) refined white flour (ii) whole wheat flour?

2. Does the government approve the adding of synthetic or natural Vitamin E to refined white flour products and, if so, is this actually the case in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) Although data relating to No. 1 northern wheat are not available, values for wheat range between 5 and 18 μg/g, with an average of 12 μg/g. (b) (i) Bread (refined white flour) 174 μg/loaf; (ii) Bread (whole wheat) 700 μg/loaf.

2. The department endorses the general principle that nutrients lost during the processing of foods should be restored but there are technical difficulties to the addition of vitamin E to flour which have not yet been overcome. Vitamin E is not added to refined white flour products in Canada.

DEPARTMENT OF SOLICITOR GENERAL—POSITION OF MR. HENRY POPP

Question No. 2,966—**Mr. Dick:**

1. What is the position of Mr. Henry Popp in the Department of the Solicitor General?

2. Was Mr. Pop a member of a board on the enquiries on the (a) Millhaven prisoner escape (b) Kingston Penitentiary riot (c) Vancouver hostage situation or on any other investigations or enquiries?

3. Did Mr. Popp serve on these enquiries in any other capacity and, if so, what were they?

Hon. Warren Allmand (Solicitor General): 1. Director, Operational Security, Security Branch, Canadian Penitentiary Service.

2. (a) No. (b) Yes. (c) Yes. Mr. Popp served also as Commissioner of Inquiry into the enquiry on the escape of eleven inmates from Saskatchewan Penitentiary on November 25, 1970.

3. In connection with the Kingston Penitentiary riot, Mr. Popp served as a member of the Commission of inquiry under Mr. J. W. Swackhammer, Q.C. In relation to the British Columbia hostage-taking incident, he is a member of the Commission of Inquiry under the chairmanship of Chief Justice John Farris.

STUDIES BY NRC INVOLVING THE OBSERVATION AND TIMING OF PEOPLE'S USE OF WASHROOMS

Question No. 2,968—**Mr. Beatty:**

1. Has the National Research Council conducted studies involving the observation and timing of people's use of washroom facilities and, if so (a) what has been the cost to date (b) what is the total projected cost (c) what are the component costs?

2. Besides the washrooms of the National Arts Centre (a) in what washroom have NRC's researchers been stationed (b) in what other washrooms are they going to be stationed?

3. For what reason does the government believe timing the use of washroom fixtures is necessary for the advancement of science?

Hon. C. M. Drury (Minister of State for Science and Technology): In so far as the National Research Council of Canada is concerned, the answer is as follows: 1. Yes (a) and (c) $79,000 comprised of Labour $35,000; Computer time $2,500; Travel $1,500; Equipment $500. Overhead $39,500; Total $79,000. (b) Total projected cost will depend on results of the current work. The study is probably around 40 per cent completed.

2. (a) Studies have also been conducted in a shopping plaza and three grandstands. (b) It is intended to extend this work to include offices, industrial plants, schools, movie theatres and restaurants.

3. Basic information on washroom use is needed to develop satisfactory building standards. Local standards differ in their requirements by factors up to 22, i.e. one authority requires 1 fixture, where another authority requires 22. At an average cost approaching $2,000 per fixture (including auxiliary plumbing and space requirements), it is clear that a great deal of money is being wasted under some code requirements, whereas in other situations insufficient facilities are provided. Initial studies indicate that shopping plazas are being required to provide twice as many washroom facilities as necessary. It is estimated that more than $1 million a year could be saved in plazas alone by improving building standards.

ELECTRICAL ROAD VEHICLES

Question No. 2,973—**Mr. Robinson:**

Are any provincial agencies or private business concerns testing electrical road vehicles and, if so (a) what kinds of vehicles are being tested (b) where are they manufactured (c) what do they cost?

Hon. Mitchell Sharp (President of the Privy Council): British Columbia Hydro is testing a delivery van manufactured by Battronic in Boyertown, Pennsylvania at a basic price of approximately $10,000 before duty and taxes. They are also going to test five Japanese Subaru delivery vans converted by a U.S. firm at a cost of approximately $5,000. They also plan to test the British Enfield car when available. The Manitoba government plans to test delivery vans made in the U.S. by OTIS and Battronic. The cost of these vehicles is approximately $8,000 and $10,000 respectively before duty and taxes. Quebec Hydro is also testing both the OTIS and Battronic delivery vans. One private business concern has imported two Sebring Vanguard Citi-Cars, two Italian Elcars, Electromotion Islander (recreational vehicle) and a delivery van from the U.S., to evaluate for the Canadian market. The CitiCar sells in the U.S. for just under $3,000 and the Elcar suggested U.S. price for model 1000 is $2,995 while the model 2000 is $3,395.

STUDIES AND DEVELOPMENT OF ELECTRICAL ROAD VEHICLES

Question No. 2,974—**Mr. Robinson:**

Is the government under the Energy Conservation or Energy Management Programme allotting any funds toward studies and development of electrical road vehicles?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Energy, Mines and Resources and Industry, Trade and Commerce as follows: No funds are being allotted.

GOVERNMENT TESTING OF ELECTRICAL ROAD VEHICLES

Question No. 2,975—**Mr. Robinson:**

Is the government testing any electrical road vehicles at the present time and, if not, on what date will tests be conducted?

Hon. Mitchell Sharp (President of the Privy Council): The Canadian Post Office has tested an OTIS delivery vehicle in Toronto and will test five American Motor's electrical jeeps in five locations across Canada this fall. One vehicle based on a golf car chassis is being used by the Department of Communications, Research Centre at Shirley's Bay outside of Ottawa.

REGULATIONS RESPECTING PSYCHOLOGICAL TESTING OF GOVERNMENT EMPLOYEES AND POTENTIAL EMPLOYEES

Question No. 2,976—**Mr. Beatty:**

1. On behalf of what (a) departments (b) agencies (c) boards (d) commissions (e) Crown corporations does the Department of National Health and Welfare undertake psychological testing of employees or potential employees?

2. In each case (a) what is the purpose of such tests (b) what categories of employees or potential employees would be subject to such tests (c) who is responsible for administering the tests (d) who is responsible for interpreting their results (e) what are their qualifications?

3. In each case (a) would refusal to participate in the tests in any way jeopardize the career of an employee or a potential employee and, if so, in what way (b) is the individual involved given full access to the results of the test and, if not, for what reason (c) what procedure is followed for the systematic purging of files on individuals involved

when information gained is no longer directly relevant (d) what is the number of files currently maintained on individuals?

4. For what reason did the Department of National Health and Welfare not reply to Question No. 2,402 as anticipated in Part 2(c) of the reply by the National Harbours Board?

5. What are the Public Service Commission and Treasury Board regulations respecting psychological testing of government employees and potential employees?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of National Health and Welfare and Treasury Board Secretariat as follows: 1. Psychological testing is a part of the Public Service Health program that is available to all departments and agencies that fall under the Financial Administration Act. It is also available to Crown corporations who request services from National Health and Welfare.

2. (a) The purpose of testing is to aid in establishing a health profile or diagnosis in the assessment of an employee's health status as it relates to the safe, healthy, and effective performance of his duties. (It is important to emphasize the difference between psychological testing, and psychological assessment. Psychological testing is done by utilizing a whole battery of tests and aims at something in particular, such as behaviorial pattern. Psychological assessment may be a part of any comprehensive medical examination). (b) There is no routine psychological testing done on categories of employees. In any assessment of the health of some groups of employees, however, particular attention is directed to a psychological assessment because of the nature of the work. These groups are: 1. Personnel posted to isolated posts. 2. Lightkeepers, including dependents resident at remote locations. 3. Personnel serving abroad (including dependents). (c) Tests are administered by a psychiatrist or psychologist. (d) Interpretation is by the health professional who administers the tests. (e) Specialty qualifications as established by the governing body of the profession.

3. (a) Refusal would result in the Department of National Health and Welfare reporting to a department that an accurate or complete assessment of the employee's health status is impossible to make due to incomplete data. The effect of incomplete health profiles on the employability of an individual is impossible to assess since National Health and Welfare exercises no control over staffing authorities in the manner of employment or promotions. (b) The individual has a right to know the results of any examination by the Department of National Health and Welfare either through direct discussion with the Health and Welfare professional, or where it is deemed in his best interest, through a full disclosure to a physician of the employee's choice. (c) No separate psychological test files are maintained on individuals. However, the results of an individual's psychological test are maintained as part of his/her medical files. Medical files are kept in strict confidentiality by the Medical Services Branch. They are kept active for two years, then dormant for three. After this five year period, they are destroyed. (d) In Medical Services, nine regions are in possession of files of this nature and the number can reach in the tens of thousands; to give an accurate figure would require intensive time and manpower and would be a serious cost to this branch.

4. Question No. 2,402 part 2(c) was not replied to by the Department of National Health and Welfare since the question was interpreted as applying to the Department itself and to no other area of the government.

5. Treasury Board regulations and requirements respecting health evaluations, including psychological assessments where applicable, of employees of departments or other portions of the Public Service of Canada listed in Part 1 of Schedule A to the Public Service Staff Regulations Act, are provided for in the Foreign Service Directives, the Isolated Posts Regulations and in the Public Service Periodic Health Evaluation Standard.

DEPARTMENT OF THE ENVIRONMENT PERSONNEL

Question No. 2,987—**Mr. Reid:**

1. Do employees of the Department of the Environment, working in Hull, pay into the Quebec Pension Plan and do they pay Quebec income tax and, if so, are there any employees who do not pay into the Quebec Pension Plan or who do not pay Quebec income tax?

2. Are all employees of the Department of the Environment in the Ottawa-Hull area headquartered in Hull and, if not (a) what groups are headquartered elsewhere in the National Capital area (b) for what reason?

Hon. Mitchell Sharp (President of the Privy Council): 1. Yes. The department is unaware of any exceptions.

2. No. (a) There are a number of departmental offices, laboratories and warehouses located outside of Hull but in the national capital area. The principal groups are the Fisheries and Marine Service and the Eastern Forest Products Laboratory, both of which are located in Ottawa. (b) The majority of facilities occupied by the Department of Environment in Ottawa were units of other departments prior to the formation of DOE and had been held by those units for some time. The two main office buildings occupied by the department in Hull do not have sufficient floor space to accommodate all departmental staff in the national capital area.

LOCKS AT STE-ANNE-DE-BELLEVUE, QUEBEC

Question No. 2,988—**Mr. Herbert:**

What is the record to date of the (a) number of boats (b) amount of toll charges collected (c) additional collection costs at the locks at Ste-Anne-de-Bellevue, Quebec?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): (a) Number of vessels locked—1818. Number of lock operations—1220. (b) Revenue from toll charges to July 17, 1975—$9,767. (c) Collection costs to July 17, 1975—$3,715.

CANADIAN DEVELOPMENT CORPORATION—FORMATION OF OIL EXPLORATION COMPANY

Question No. 2,989—**Mr. Herbert:**

Did the President of the Canadian Development Corporation, Mr. H. A. Hampson, give prior indication to the government of the intention to (a) acquire or form a Canadian oil exploration company (b) form an oil exploration company and, if so, what means will be used to prevent duplication of effort by this autonomous corporation?

Hon. Mitchell Sharp (President of the Privy Council): The government, through its representation on the board of directors and executive committee of the Canada De-

velopment Corporation, is kept informed of the CDC's investment intentions, including its present interest in investing in the oil industry. The CDC and the government have agreed to consult and cooperate in such oil related undertakings so as to avoid any undesirable duplication or conflict.

IMMIGRATION OF CARIBBEANS TO CANADA

Question No. 2,991—**Mr. Robinson:**

How many Caribbeans have emigrated to Canada in each of the years 1945 to 1975 inclusive?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The information requested is contained in Immigration statistical publications. These are published annually and are available from Information Canada or the Department of Manpower and Immigration. (See—Rules and Forms of the House of Commons of Canada, Beauchesne (1958) section 171(ff)).

IMMIGRATION OF INDIANS TO CANADA

Question No. 2,992—**Mr. Robinson:**

How many Indians have emigrated to Canada in each of the years 1945 to 1975 inclusive?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question no. 2,991 answered this day.

IMMIGRATION OF PAKISTANIS TO CANADA

Question No. 2,993—**Mr. Robinson:**

How many Pakistanis have emigrated to Canada in each of the years 1945 to 1975 inclusive?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question No. 2,991 answered this day.

IMMIGRATION OF UNITED STATES CITIZENS TO CANADA

Question No. 2,994—**Mr. Robinson:**

How many Americans have emigrated to Canada in each of the years 1945 to 1975 inclusive?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question No. 2,991 answered this day.

IMMIGRATION OF BRITISH SUBJECTS TO CANADA

Question No. 2,995—**Mr. Robinson:**

How many British have emigrated to Canada in each of the years 1945 to 1975 inclusive?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question No. 2,991 answered this day.

Order Paper Questions

IMMIGRATION OF FRENCH SUBJECTS TO CANADA

Question No. 2,996—**Mr. Robinson:**

How many French have emigrated to Canada in each of the years 1945 to 1975 inclusive?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question No. 2,991 answered this day.

IMMIGRATION OF CHINESE TO CANADA

Question No. 2,997—**Mr. Robinson:**

1. How many Chinese have emigrated to Canada in each of the years 1945 to 1975 inclusive?

2. How many came from (a) Mainland (b) Taiwan (c) Hong Kong?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question No. 2,991 answered this day.

IMMIGRATION OF AFRICANS TO CANADA

Question No. 2,998—**Mr. Robinson:**

How many Africans have emigrated to Canada in each of the years 1945 to 1975 inclusive (a) from what countries (b) how many have arrived from each country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to question No. 2,991 answered this day.

NUMBER OF RASTAFARIANS IN CANADA ILLEGALLY

Question No. 2,999—**Mr. Robinson:**

How many Rastafarians in Canada are here illegally (a) will they be deported and, if so, on what date (b) where are they located in Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Since persons in the country illegally would not normally make their presence known to government sources, there is no way to estimate their numbers, nor where they are located, in Canada. When such persons come to our attention appropriate enforcement action is taken.

NUMBER OF RASTAFARIAN BRETHREN IN CANADA

Question No. 3,000—**Mr. Robinson:**

How many Rastafarian Brethren are there in Canada and from what countries did they come?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No information about the religious beliefs of persons immigrating to Canada is recorded. It is therefore not possible to respond to this question.

NUMBER OF RASTAFARIAN BRETHREN WHO HAVE BECOME CANADIAN CITIZENS

Question No. 3,001—**Mr. Robinson:**

How many Rastafarian Brethren have become Canadian citizens or have obtained landed immigrant status?

Order Paper Questions

Hon. Robert K. Andras (Minister of Manpower and Immigration): See reply to Question No. 3,000 answered this day.

ETHNIC BREAKDOWN OF POPULATION OF METROPOLITAN TORONTO

Question No. 3,002—**Mr. Robinson:**

What is the ethnic breakdown of the population of Metropolitan Toronto?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada reports that according to the 1971 Census of Canada the population distribution by ethnic origin for the Census Metropolitan Area of Toronto is: British Isles (1), 1,495,300; France, 91,975; Austrian, N.O.S., 7,880; Chinese, 26,285; Czech, 9,975; Finnish, 8,920; German, 116,640; Hungarian, 23,350; Italian, 271,755; Japanese, 11,690; Jewish, 109,910; Native Indian, 6,475; Negro, 12,335; Netherlands, 44,425; Polish, 51,180; Russian, 5,270; Scandinavian (2), 18,355; Slovak, 4,490; Ukrainian, 60,755; West Indian, 15,625; Other & Unknown, 235,535; Total 2,628,130.

(1) includes English, Irish, Scottish and Welsh.

(2) includes Danish, Icelandic, Norwegian and Swedish.

For further information on ethnic groups see Bulletin 92-723.

RATE OF COST INCREASE IN AUTO INSURANCE, 1960-75

Question No. 3,003—**Mr. Robinson:**

What is the average rate of cost increase in auto insurance to each province and territory in each year 1960 to 1975 inclusive?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada does not collect data on the average rate of cost increase in auto insurance. However, the attached table shows the year-to-year percentage changes in the automobile insurance component of the consumer price index by regional city from 1962 to 1974. The last column of the table gives the movement over the latest available 12 month period, i.e. June 1974 to June 1975. Consumer price indexes are not compiled at a provincial or territorial level nor are data available for the year 1960.

Year-To-Year Percentage Changes – Automobile Insurance Indexes (1961=100)

City	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	June 1975 June 1974
St. John's	9.4	3.8	9.3	0.0	4.8	−7.1	6.1	21.6	12.5	12.7	16.0	9.3	17.8	19.3
Halifax	1.8	− 6.7	2.7	14.1	0.6	5.7	10.1	7.8	2.1	0.1	2.4	7.8	13.8	22.4
Saint John	0.3	1.1	0.0	24.7	8.0	4.4	6.3	6.7	1.9	5.8	2.1	9.1	18.7	21.3
Quebec City (1)									16.8	5.1	6.0	4.3	7.5	12.6
Montreal	2.9	−11.1	13.0	21.2	6.0	−2.8	− 0.6	2.7	11.2	4.2	0.5	4.8	8.1	19.9
Ottawa	3.1	16.6	12.4	12.9	10.8	2.0	− 4.8	2.2	8.8	14.1	5.8	13.2	14.1	13.9
Toronto	5.4	11.8	13.2	28.6	11.0	4.1	− 7.9	− 0.5	10.7	14.8	5.2	3.8	12.5	21.3
Thunder Bay (1)									− 0.5	5.5	12.0	15.2	18.1	30.3
Winnipeg	5.6	3.2	7.2	19.1	10.1	4.1	11.5	14.2	8.3	3.8	3.7	0.0	12.1	32.3
Regina	−2.5	− 7.7	0.0	12.6	11.1	4.8	4.7	0.6	0.6	0.0	0.0	0.0	16.6	1.3
Saskatoon	−2.5	− 7.7	0.0	0.0	0.0	4.9	4.6	0.6	0.6	0.0	0.0	0.0	16.5	1.3
Calgary	2.2	3.6	15.1	25.1	7.9	4.1	− 0.6	8.5	14.6	10.0	5.5	3.6	16.7	14.4
Edmonton	−1.4	4.4	15.1	25.3	7.8	4.1	− 0.6	8.6	14.6	10.0	5.5	3.5	11.8	17.9
Vancouver	1.3	20.4	3.6	28.9	13.9	−3.3	0.9	5.6	3.5	6.2	7.9	5.9	−18.2	3.9

(1) 1969=100

CMHC FELLOWSHIP PROGRAMME

Question No. 3,008—**Mr. Marshall:**

1. Of the 331 applications for CMHC fellowships for study in urban affairs, how many were received from each province?

2. When was the Fellowship Programme announced and through what means was it advertised?

Hon. Mitchell Sharp (President of the Privy Council): I am advised by Central Mortgage and Housing Corporation as follows: 1. The distribution by province of applications received for CMHC Fellowships for study in urban affairs is shown in the table below.

Province	Number
Newfoundland	1
Prince Edward Island	–
Nova Scotia	5
New Brunswick	–
Québec	87
Ontario	157
Manitoba	13
Saskatchewan	4
Alberta	11
British Columbia	52
N.W.T.	1

2. Approval of the Fellowship Programme was announced by the Minister of State for Urban Affairs on January 14, 1975, through a news release. The fellowship brochure for 1975/76 was distributed by CMHC in December 1974, to a mailing list of over 1200, which covers all Universities and their affiliated colleges in Canada; federal and provincial government departments; private industry such as architectural and engineering firms and associations; and newspaper and magazine outlets. The program is

listed in almost all University calendars, and the Annual Register of Grant Support and the Universities and Colleges of Canada report.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,013—Mr. Huntington:

Since 1968, has Mr. Wilbrod Bherer, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,015—Mr. Huntington:

Since 1968, has Mr. Paul G. Desmarais, Chairman of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,016—Mr. Huntington:

Since 1968, has Mr. Pierre Genest, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned: Mr. Pierre Genest was appointed to the 7th Council of the Northwest Territories on January 18, 1973 and served until the expiry of the life of that Council on January 22, 1975. As provided by Section 8 of the Northwest Territories Act, his appointment was made by the Governor General in Council, P.C. 1973-133, on the recommendation of the Minister of Indian Affairs and Northern Development.

MR. J. CLAUDE HEBERT—DIRECTOR OF POWER CORPORATION OF CANADA LTD.

Question No. 3,018—Mr. Huntington:

Since 1968, has Mr. J. Claude Hebert, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,019—Mr. Huntington:

Since 1968, has Mr. Paul E. Martin Jr., Vice-President, Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. EARLE McLAUGHLIN—DIRECTOR OF POWER CORPORATION OF CANADA LTD.

Question No. 3,020—Mr. Huntington:

Since 1968, has Mr. Earle McLaughlin, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

Mr. ARTHUR DEANE NESBITT—DIRECTOR OF POWER CORPORATION OF CANADA LTD.

Question No. 3,021—Mr. Huntington:

Since 1968, has Mr. Arthur Deane Nesbitt, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. PAUL BRITTON PAINE—DIRECTOR OF POWER CORPORATION OF CANADA LTD.

Question No. 3,022—Mr. Huntington:

Since 1968, has Mr. Paul Britton Paine, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee

and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. JEAN PARISIEN—PRESIDENT OF POWER CORPORATION OF CANADA LTD.

Question No. 3,023—Mr. Huntington:

Since 1968, has Mr. Jean Parisien, President of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. CLAUDE PRATTE—DIRECTOR OF POWER CORPORATION OF CANADA LTD.

Question No. 3,025—Mr. Huntington:

Since 1968, has Mr. Claude Pratte, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,026—Mr. Huntington:

Since 1968, has Mr. Robert Carlton Scrivener, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,027—Mr. Huntington:

Since 1968, has the Honourable John Robarts, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

[Mr. Huntington.]

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,028—Mr. Huntington:

Since 1968, has Mr. William Ian MacKenzie Turner Jr., member of the executive committee of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,031—Mr. Huntington:

Since 1968, has Mr. W. James Hines, Senior Vice-President of Canada Steamship Lines Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. JEAN CHARLES PARADIS—DEPUTY CHAIRMAN OF CAMPEAU CORPORATION

Question No. 3,032—Mr. Huntington:

Since 1968, has Mr. Jean Charles Paradis, Deputy Chairman of Campeau Corporation been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. ROSS A. POYNTZ—DIRECTOR OF IMPERIAL LIFE ASSURANCE CO. OF CANADA

Question No. 3,033—Mr. Huntington:

Since 1968, has Mr. Ross A. Poyntz, Director of Imperial Life Assurance Co. of Canada been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

HONOURABLE MAURICE SAUVÉ—VICE-PRESIDENT OF CONSOLIDATED-BATHURST LTD.

Question No. 3,034—**Mr. Huntington:**

Since 1968, has the Honourable Maurice Sauvé, Vice-President of Consolidated-Bathurst Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. ARTHUR SIMARD—CHAIRMAN OF MARINE INDUSTRIES

Question No. 3,035—**Mr. Huntington:**

Since 1968, has Mr. Arthur Simard, Chairman of Marine Industries been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,037—**Mr. Huntington:**

Since 1968, has Mr. Peter Nesbitt Thomson, Chairman of Warnock Hersey International been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. JEAN SIMARD—DIRECTOR OF WARNOCK HERSEY INTERNATIONAL

Question No. 3,038—**Mr. Huntington:**

Since 1968, has Mr. Jean Simard, Director of Warnock Hersey International been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

Order Paper Questions

AIR COMMAND MOVE

Question No. 3,040—**Mr. McKenzie:**

1. What is the total number of servicemen, officers and NCOs that will be transferred (a) to Winnipeg (b) out of Winnipeg as a result of the Air Command move?

2. What will be the net gain of servicemen, NCOs and officers in Winnipeg as a direct result of such transfer?

3. As of June 30, 1975 (a) how many PMQs in the Whytewold-Ness area of Winnipeg were vacant (b) what is this number as a percentage of the total number of quarters?

Hon. James Richardson (Minister of National Defence): 1. (a) three servicemen, 55 officers and 39 NCO's were transferred to Winnipeg for the start of Air Command. It is anticipated that some additional personnel will be moved to Air Command as the new command becomes established. (b) three servicemen, 14 officers and two NCO's were transferred out of Winnipeg.

2. The net gain at the start of Air Command is 41 officers and 37 NCO's, a total of 78.

3. (a) Four. (b) 0.77 per cent.

CAPITAL COST ALLOWANCE PROGRAM

Question No. 3,041—**Mr. Marshall:**

What are the names of the firms in Newfoundland which have applied for loans under the accelerated Capital Cost Allowance Programme?

Hon. Mitchell Sharp (President of the Privy Council): Imperial Oil Enterprises Limited.

USE OF CBC PROGRAMS BY SCHOOLS

Question No. 3,043—**Mr. Gauthier (Ottawa-Vanier):**

1. With respect to the new policy of CBC which makes it possible for schools to pick up directly certain of the Corporation's programmes for the possible re-use of several programmes by churches, schools and social clubs (a) has the distribution policy for audio-visual material been drafted by CBC (b) who will distribute the material to approved organizations (c) on what date will the policy take effect?

2. Of the $1,050,000 allocated in the 1975-76 Estimates, what amount will be used (a) by schools for the recording of CBC programmes considered as useful (b) for the implementation of a programme of re-use of certain television programmes by schools, churches and social clubs?

Hon. J. Hugh Faulkner (Secretary of State): 1 and 2. I am informed by the Canadian Broadcasting Corporation that distribution details of a policy providing for specified further use of certain CBC programs are being worked out. It is expected that a statement on the subject will be made shortly.

CANADIAN GOVERNMENT CENTRAL TRAVEL SERVICE

Question No. 3,044—**Mr. Huntington:**

1. What is the total sales revenue of the Canadian Government Central Travel Service for its last fiscal year?

2. What is the sales revenue for each office?

3. How many persons are employed in each office?

4. What is the cost of operating the Canadian Government Central Travel Service?

Order Paper Questions

5. What was the profit or loss for each fiscal period in each fiscal year since its inception?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The total sales value of travel arranged by the Central Travel Service for the fiscal year 1974-75 was $26,406,505. With the inclusion of the DSS service charge, the total revenue for 1974-75 was $26,702,000.

2. The value of travel arranged by individual offices of the Central Travel Service for fiscal year 1974-75 was as follows: Victoria, $140,225; Vancouver, $1,550,969; Edmonton, $603,380; Calgary, $315,771; Saskatoon, $202,872; Regina, $283,613; Winnipeg, $1,057,833; Windsor, $18,801; London, $35,140; Toronto, $810,506; Hamilton, $37,580; Montreal, $334,166; Quebec, $46,914; Saint John, $130,276; Halifax, $748,160; St-John's, $404,012; Ottawa, $19,686,287; Total $26,406,505.

3. Central Travel Service employs four public servants, all in Ottawa. The air and rail carriers assign approximately 154 of their personnel, without charge, to handle Central Travel Service reservations and ticketing in Ottawa and seventeen locations across Canada.

4. The total cost is not known. However, the cost to DSS in fiscal year 1974-75 was $202,000.

5. The profit for fiscal year 1973-74 was $102,000 and for 1974-75 $94,000. Prior to the commencement of revenue dependency in 1973-74, this service was provided without charge to Government departments and operating costs were charged to a vote appropriation. Profit or loss details for the years preceding 1973-74 are not available.

MR. WILLIAM TERON, PRESIDENT OF CMHC

Question No. 3,046—**Mr. Huntington:**

1. Was Mr. William Teron, President of Central Mortgage and Housing Corporation (a) a director, chairman, officer or in any way connected with St. Maurice Capital Corporation Ltd., now operating under the style of Commerce Capital Corporation Ltd. (b) a director, chairman, officer or in any way connected with Farmers and Merchants Trust Co. Ltd. (c) a director, chairman, officer or in any way connected with Campeau Corporation?

2. Did Mr. Teron ever own equity, legal or beneficial shares in Power Corporation of Canada Ltd.?

3. Has Mr. Teron held any other similar positions in private or public companies or corporations in the past and, if so, on what date did he divest himself of each particular position?

4. Has Mr. Teron transferred his substantial real estate holdings to any member of his family and, if so, is he in any way acting in an advisory capacity in the management of their properties and holdings?

5. Are Mr. Teron's extensive real estate holdings held in a blind trust and, if so, do any members of his family or any former business associates act as a trustee or in any way manage the blind trust?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. (a) and (b) Mr. Teron was chairman of the Board of St. Maurice Capital Corporation Ltd. (now Commerce Capital Corporation Ltd.), and was a Director of Farmers and Merchants Trust Co. Ltd., but on June 30, 1973, prior to his appointment as President of Central Mortgage and Housing Corporation, he resigned from every office and directorship in those as well as from all other corporations with which he had any connection (save for Pearson College of the Pacific). (c) Mr. Teron was never a Director or Officer of Campeau Corporation nor in any way connected with it, except that his company's land development at Kanata, Ontario, was sold in 1967 to Canadian Interurban Properties Limited, a controlled subsidiary of Power Corporation with whom Campeau Corporation became subsequently connected.

2. Mr. Teron held common shares in Power Corporation for a 6-month period only in the year 1970, but never at any other time owned any equity, legal or beneficial, in that company. He owned a controlling interest in Canadian Interurban Properties Limited, but this interest was sold out in December, 1969.

3. Mr. Teron held offices in Teron Construction Co. Limited, Etron Limited, Marina City Kingston Limited, Murney Development Limited, William Teron Limited and Carleton Towers Hotels Limited, all private companies, but resigned therefrom on June 30, 1973.

4. Mr. Teron, in 1962, transferred certain shares in his company, Etron Limited, to Trustees acting on behalf of his children, which stock the Trustees continue to hold but, apart from that, never transferred any assets to his wife or children.

5. Mr. Teron ha no direct real estate holdings (save for his personal residence, a chalet lot, and a one-half interest in a 7-acre parcel of land in March Township, in the Regional Municipality of Ottawa-Carleton), but has shares in a corporation, Urbanetics Ltd. (formerly Etron Limited) which has real estate assets. These shares were transferred to Trustees under a blind trust agreement (a true copy of which is filed with the Privy Council Secretariat). These Trustees are in no manner related to Mr. Teron or to any member of his family, and they are not and never have been his business associates.

[Mr. Huntington.]

HUMAN RIGHTS—LEGISLATION

Question No. 3,047—**Mr. Herbert:**

Did the government give recognition to the provincial responsibilities when it excluded in its proposed human rights legislation any reference to discrimination concerning health standards and/or physical deformities which would not be a relevant consideration for employment?

Hon. Ron Basford (Minister of Justice): It is desired that the proposed Commission at the outset mainly confine its work to grounds of discrimination in relation to which other commissions have acquired experience. Only one province, Nova Scotia, has by a recent amendment to its Human Rights Act provided for the ground of physical handicap.

BANKRUPTCY CLAIMS

Question No. 3,048—**Mr. Herbert:**

Has there been any appreciable change in the percentage of bankruptcy claims between (a) secured and unsecured creditors (b) amounts claimed by banks, financial institutions other than chartered banks, and other creditors?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Department of Consumer and Corporate Affairs. (a) Liabilities declared by debtors for the calendar years 1972 and 1973 (as examples) are as follows: 1972, Secured $74,378,000; Unsecured $225,903,000. 1973, Secured

76,451,000; Unsecured 228,365,000. (b) Not applicable—Statistics are not kept on individual creditors.

FEES PAID TO TRUSTEES IN BANKRUPTCIES

Question No. 3,049—**Mr. Herbert:**

For each of the past five years, what is the total of fees that have been paid to trustees in bankruptcies in each province or by whatever regional division that records are maintained?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Answer follows.

NOTE: In the case of an ordinary administration trustee fees are based on section 21(1) and (2) of the Bankruptcy Act. In the case of a summary administration trustee fees are based on section 110, 111 and 112 of the Bankruptcy Rules.

	1970		1971		1972		1973		1974		1975
	Number of Estates	Trustee Fees $000	Number of Estates	Trustee Fees $000	Number of Estates	Trustee Fees $000	Number of Estates	Trustee Fees $000	Number of Estates	Trustee Fees $000	Not Available at this time
NFLD.	5	7	3	2	8	11	–	–	2	1	
P.E.I.	5	1	1	–	–	–	1	–	2	35	
N.S.	19	34	20	33	15	25	12	23	20	347	
N.B.	31	28	47	65	24	19	30	58	7	30	
QUE.	2,753	2,765	2,415	2,608	2,476	2,970	2,462	3,132	2,081	6,635	
ONT.	1,765	1,950	1,970	1,994	2,210	2,167	2,601	2,823	3,406	5,348	
MAN.	92	76	103	97	96	97	105	115	92	228	
SASK.	92	64	140	80	123	86	93	63	61	102	
ALTA.	161	271	205	228	225	372	203	286	127	96	
B.C.	332	245	237	341	236	365	365	459	736	1,524	
TOTAL	5,255	5,441	5,141	5,448	5,413	6,112	5,872	6,959	6,534	14,446	

BANKRUPTCIES

Question No. 3,050—**Mr. Herbert:**

Does the department responsible for the supervision of bankruptcies record as a percentage of monies claimed the dividends paid to chartered bank creditors whether they are secured or unsecured?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The Department of Consumer and Corporate Affairs does not keep statistics on individual or specific types of creditors in bankruptcies.

CHARITABLE ORGANIZATIONS

Question No. 3,054—**Mr. Brisco:**

1. How many charitable organizations are presently registered with the Department of National Revenue?

2. What criteria are used in granting registration?

3. How many organizations registered as charitable organizations, have subsequently had their certificate withdrawn by the Department of National Revenue in 1973, 1974 and 1975 to date and what were their names?

4. What form of investigation is conducted by the Department prior to awarding certification to an organization as a charitable organization?

Hon. J. C. Cullen (Minister of National Revenue): 1. 36,098.

2. An organization must demonstrate by documentation and other information that it is constituted and operating exclusively in a charitable manner. The Income Tax Act does not contain a definition of the word "charity" or "charitable purposes" and the Department must therefore be guided by the principles of common law dealing with charity and in particular the English Pemsel case wherein the purposes which the law considers to be charitable were grouped under the following four general headings: (1) Relief of Poverty, (2) Advancement of Education, (3) Advancement of Religion, (4) Other purposes of a charitable nature, beneficial to the community, not falling under any of the preceding headings. Legal jurisprudence is used extensively where doubt is encountered.

3. The names of the charitable organizations which had their registration revoked were published, as required by law, in the Canada Gazette. The following is the publication date and the number revoked: 1973: 31/03/73, 39; 2/06/73, 54; 18/08/73, 58; 24/11/73, 358; 15/12/73, 90; 29/12/73, 272; total for 1973 871. 1974: 26/01/74, 1; 18/05/74, 86; 10/08/74, 1; 17/08/74, 129; 30/11/74, 372; 24/12/74, 135; 28/12/74, 206; total for 1974 930. 1975: 22/03/75, 81; 3/05/75, 2; 10/05/75, 98; total for 1975, 181. Overall total 1,982.

4. Organizations are required to file with the Department a certified copy of their governing documents, a copy of the previous years financial statements, if such exist, and a detailed explanation of the activities to be carried on by the organization within the meaning of the stated objects. This documentation and information is reviewed and analyzed and if it is found that the organization meets all of the requirements it is registered as a charitable organization for income tax purposes. Submissions are presently being sought from interested Canadians by a Charities Study Group established by the Minister of Finance in his recent budget speech. At that time a Green Paper on the subject was published. As a result, legislation may be presented which would establish additional requirements

for registration, vary existing requirements for registration or impose new administrative policies.

SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

Question No. 3,055—**Mr. Brisco:**

1. Was a certificate issued to the Society for the Study of the Heritage of Canada by the Department of National Revenue—Taxation as a Canadian charitable organization and, if so, for what reason?

2. What was the (a) effective date (b) certificate number?

3. How many tax free dollars were received in the form of donations by the Society in (a) 1973 (b) 1974 (c) 1975?

4. How many Canadians donated to the Society in (a) 1973 (b) 1974 (c) 1975?

5. Has the Department of National Revenue ever investigated the Society and (a) if so (i) for what reason (ii) what were the findings of the investigation (b) if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): 1. The Society for the Study of the Heritage of Canada was registered as a Canadian charitable organization under the Income Tax Act, having demonstrated to the satisfaction of the responsible officials that it met all of the prerequisites to registration.

2. (a) July 1, 1973, (b) 0417774-21-13

3. An answer to this question cannot be provided due to the secrecy provisions of the Income Tax Act.

4. This information is not available.

5. See answer to Part 3.

EMIGRATION FROM CANADA STATISTICS

Question No. 3,057—**Miss MacDonald (Kingston and the Islands):**

1. Does the government collect information on emigration from Canada?

2. What factors (age, sex, nationality, occupation, etc.) are collected in emigration statistics?

3. Are such data collected by cooperation with the countries of destination and, if not, how are they collected?

4. Where are these emigration statistics published?

5. Does the government intend to increase the collection of emigration data and, if so, in what areas?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada reports the following: 1. Like most countries in the world, Canada does not collect data on the number of persons emigrating from the country, because Canadian residents are not compelled to notify provincial or national officials of their departure. However, Statistics Canada produces estimates of the number of persons who emigrate from Canada each year.

2. The annual estimates of emigration are produced by age group, sex, and province or territory of origin.

3. The emigration estimates are obtained by adding: (a) actual data from the United States Department of Justice on the number of persons immigrating to the United States whose last country of residence was Canada: (b) actual data from the United Kingdom Office of Population Censuses and Surveys on the number of persons migrating to the United Kingdom whose last country of residence was Canada; and (c) an assumed volume of 20,000 persons who are believed to emigrate to all other countries from Canada each year. The figure 20,000, is based on data in the United Nations Demographic Year Book and differences between the number of post-war immigrants recorded in the 1961 Census and the total post-war immigration figures reported by the Department of Citizenship and Immigration.

4. These emigration estimates are compiled for purposes of producing the official post-censal national and provincial population estimates. Although the emigration estimates have not been published, they are made available to individuals who request them.

5. For the past two years, Canada has been cooperating with the United Nations Economic Commission for Europe in a pilot project the aim of which is to generate current, reliable data on the number of persons migrating between the 32 member countries of the Economic Commission for Europe. Although the results from this pilot project have been encouraging the Economic Commission for Europe is continuing its developmental work on this project before setting up a system for the regular exchange of these data among the member countries. Once this programme becomes fully operational, the data on immigration to these countries from Canada will enable Statistics Canada to generate increasingly accurate and more detailed current emigration estimates.

ENERGY ANALYSES

Question No. 3,058—**Miss MacDonald (Kingston and the Islands):**

1. Has the government conducted any energy analyses or obtained energy analyses done by others comparing energy invested with energy produced for (a) the Syncrude plant (b) the CANDU reactor systems for Bruce, Point Lepreau and Pickering (c) any of the major international competitors of the CANDU system and, if so, where are they published?

2. Has the government conducted or received any studies comparing the energy invested including both construction and operation with the energy delivered for (a) an oil pipeline versus a railroad (b) a gas pipeline versus a railroad in the MacKenzie Valley?

Hon. Mitchell Sharp (President of the Privy Council): The Department of Energy, Mines and Resources reports as follows: 1. These studies are underway.

2. These studies are underway.

UNION REPRESENTATION

Question No. 3,064—**Mr. Jelinek:**

1. How many various unions are represented within (a) post office (b) air transportation (c) grain handlers (d) ports (e) meat inspectors (f) rail service?

2. How many of the unions in Part 1 have taken part in a walkout or strike during (a) the last fiscal year (b) the past two fiscal years?

3. How many man-days have been lost as a result of strikes and walkouts by the unions in Part 1 during (a) the last fiscal year (b) the past two fiscal years?

4. How many man-days have been lost as a result of strikes and walkouts by employees under the jurisdiction of the government during (a) the last fiscal year (b) the past two fiscal years?

Hon. John C. Munro (Minister of Labour): 1. (a) Post Office—5, (b) air transport—15, (c) grain handlers—16, (d) ports—35*, (e) meat inspectors—1, (f) rail service—21.

* This number includes unions in "marine transportation" as well as "ports."

2. and 3.	Fiscal year 1974-75 No. of unions Striking	May-days Lost	Fiscal year 1973-74 No. of unions Striking	May-days Lost
(a) Post Office	2	177,050	2	650
(b) air transport	3	9,000	2	98,570
(c) grain handlers	2	26,400	–	–
(d) ports	3	60,000	2	20,900
(e) meat inspectors	1	*	–	–
(f) rail service	4	31,330	3**	797,870

*Meat inspectors are included in the Primary Products Inspection Group of the Public Service Alliance of Canada which engaged in sporadic stoppages from November 23 to December 5, 1974, but separate statistics for meat inspectors are not available.

**Includes a strike by railway non-operating employees who belong to eight separate unions but negotiate jointly.

4.	Fiscal 1974-75 Man-days lost	Fiscal 1973-74 May-days lost
Federal jurisdiction industries	246,810	1,046,680
Federal Public Service	261,180	1,490

FOREIGN CLAIMS COMMISSION—NUMBER OF PUBLIC SERVANTS EMPLOYED

Question No. 3,065—Mr. Roberts:

1. How many public servants are currently employed by the Foreign Claims Commission?

2. What is their average length of service with the Commission?

3. What are the names of any members of the Commission while serving with the Commission visited (a) Bulgaria (b) Hungary (c) Romania (d) Poland (e) Czechoslovakia and on what dates?

4. Which of the visits were partially or wholly other than on government business?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The commission comprises three members appointed by the Governor-in-Council under the Inquiries Act. The commissioners have authority to employ necessary staff at rates of remuneration approved by Treasury Board. The persons presently so employed are one lawyer, one person with legal training, and two secretaries. In addition, one lawyer has been seconded to the commission by the Department of Justice.

2. Two members of the commission were appointed on December 8, 1970 and the third was appointed on January 30, 1975. Tue secretaries were engaged on February 1, 1971 and September 1, 1973, respectively. The lawyer was engaged on September 1, 1973. The person with legal training was engaged on June 1, 1975. The lawer seconded from the Department of Justice has been with the commission since October, 1974.

3. No member or employee of the commission while serving with the commission has visited Bulgaria, Hungary, Romania, Poland or Czechoslovakia.

4. (actually 4) Not applicable.

"CANADIAN REVIEW" AUGUST, 1975 EDITION

Question No. 3,066—Mr. Beatty:

1. With respect to the August 1975 edition of the *Canadian Review*, which features an article about the Secretary of State entitled: "Superhugh" and a cover article entitled: "Senator Keith Davey: The brains behind the Liberals' 1974 Victory", how many advertisements were placed by the government in that issue of the magazine?

2. What is the total cost to the taxpayer of such advertisements?

3. How many advertisements were placed by (a) the Department of the Secretary of State (b) other government organizations for which the Secretary of State is responsible to Parliament and what was the cost to the taxpayer?

4. Since the Secretary of State received his present portfolio, what is the total amount of government advertising and assistance which has been given to the *Canadian Review*?

Hon. James Hugh Faulkner (Secretary of State): 1. and 2. National Library—One—$342. National Museums of Canada—Two—$450.

3. (a) None. (b) See reply to parts 1 and 2.

4. National Library, $342; Public Service Commission, $275; National Museums of Canada, $450.

"SWEET MOVIE" FILM

Question No. 3,067—Mr. Cossitt:

1. With reference to the answer to Question No. 2,786 on the subject of the film "Sweet Movie" which stated in part that this film "contains some such scenes" of vomiting, urination and defecation (a) in how many scenes did each appear (b) who set down the policy and on what date that the amount of public money invested in individual films of this kind by the Canadian Film Development Corporation is never disclosed and what reasons justify denying such information to Parliament?

2. With further reference to the answer which stated in part that CFDC invested in this film because of "Canadian content", "reputation of the director" and "script" (a) what are all these things in detail (b) did the film portray one fat man wiping defecations on another fat man and, if so, has this anything to do with Canadian content or the reputation of the director?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: 1. (a) Vomiting, 2 scenes; Urination, 4 scenes; Defecation, 1 scene. (b) At their meetings of October 31, 1968 and January 28, 1969, the members of the Canadian Film Development Corporation decided not to reveal the amounts of their investments in individual feature films in order to protect the financial position of the producer in his negotiations with possible purchasers of the completed films.

2. (a) Canadian Content: Carole Laure, a French-Canadian actress had a feature role, Martin Malina, a Montreal critic collaborated on the scenario and there were several other Canadian performers and technicians during the week of shooting in Canada. Reputation of the Director: Dusan Makavejev, the director, has an international

reputation. His films include "WR: Mysteries of the Organism", "Man is Not a Bird", "Loves of the Switchboard Operator" and "Sweet Movie". In 1973 he was chosen one of the five Directors of the Year, the others being Ingmar Bergman, Robert Bresson, Alain Resnais and John Schlesinger. In the International Film Guide, he was rated as one of the three new major directors to come from Eastern Europe in the past ten years. He was also highly praised by James Roy Macbean in The Film Quarterly. Robin Wood in Second Wind, said that Makavejev is one of the most remarkable artists to have emerged from the post-Godard generation. The Script: The corporation's assessment and that of its readers were generally satisfactory. (b) All the scenes referred to in 1 (a) above were added and photographed in Holland. They have nothing to do with Canadian content. The director made the decision to include them in the film.

ABORTIONS

Question No. 3,075—**Mr. Robinson:**

How many legal abortions have been performed in Canada at the expense of the taxpayer in each year 1968 to 1975 inclusive?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada reports that the number of therapeutic abortion operations performed in Canada on residents of Canada and reported to Statistics Canada is as follows: August 26 to December 31, 1969, 538; January 1 to December 31, 1970, 11,152; January 1 to December 31, 1971, 30,923; January 1 to December 31, 1972, 38,853; January 1 to December 31, 1973, 43,201. From the time at which a province declared a therapeutic abortion operation to be a required medical service, and abortion operations became an item of shared medical services under the combined Federal and Provincial Hospital Insurance and Medical Care Act, a covered resident of the province making a claim for payment of services provided in connection with a therapeutic abortion operation would have all or most of the services provided without charge.

ILLEGAL ABORTIONS

Question No. 3,076—**Mr. Robinson:**

1. How many doctors have been charged and/or convicted of performing illegal abortions in each year 1968 to 1975 inclusive?

2. What are their names and what was the sentence they received?

Hon. Mitchell Sharp (President of the Privy Council): Statistics Canada does have information on the number of persons charged and convicted of performing illegal abortions. However, no data are collected on the occupation of the person charged. 1. and 2(b). The table below gives the number of persons charged, persons convicted and sentences of convicted persons. The figures refer to the year 1968—1972 for the offence grouping, "abortion and attempt" which includes Criminal Code sections 237, 237(1) 237(2), 238 for the years 1968-1970 inclusive and sections 251, 251(1), 251(2), 252 for the years 1971 and 1972. (The different Criminal Code sections result from the renumbering of the code in 1970).

2(a). The release by Statistics Canada of the names of persons charged or convicted is prohibited by Section 16 of the Statistics Act.

Offence–Abortion and Attempt (1968-1972)

Persons charged and convicted and sentences of convicted persons

	Persons Charged	Persons Convicted	Suspended Sentence Without Probation	Suspended Sentence With Probation	Fine	Institution[1]		
1968[2]	20	14	4	4	–	6		
1969[3]	11	9	2	3	–	4		
						Goal	Reformatory	Penitentiary
1970[3]	13	10	–	2	–	6	2	–
1971[3]	6	6	–	2	1	–	3	–
1972	2	2	–	–	1	1	–	–

NOTE:

[1] includes goals, reformatories, industrial farms, training schools and penitentiaries.

[2] excludes Quebec.

[3] excludes Quebec and Alberta.

VACCINE TO PREVENT TOOTH DECAY IN MONKEYS

Question No. 3,078—**Mr. Robinson:**

1. To the knowledge of the government, have British scientists developed a vaccine to prevent tooth decay in monkeys and believe it is only a matter of time before humans will be effectively inoculated and, if so, is the government looking into this research in the interest of Canadians?

2. Is there any similar experimentation being carried on in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. A report by British scientists in the July 15, 1975, issue of the "British Dental Journal", describes experiments with vaccines to prevent tooth decay in monkeys. The government is aware of the results of this research and will be kept abreast of the additional animal experiments now in progress.

2. No.

DISTRIBUTION OF BOOKLET "HULL 1800-1975"

Question No. 3,080—**Mr. Halliday:**

1. What was the total financial contribution of the National Capital Commission and/or the Ministry of State for Urban Affairs towards the (a) development (b) printing (c) distribution of the booklet *Hull 1800-1975*?

2. Is it the policy of the Minister of State for Urban Affairs to provide funds to similarly commemorate centennial years or other commemorative occasions of municipalities and, if not, for what reason were these public funds provided on behalf of Hull?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the National Capital Commission and the Ministry of State for Urban Affairs as follows: 1. (a) nil. (b) nil. (c) nil.

2. In the case of the 175th anniversary of foundation and centennial of incorporation of Hull, the National Capital Commission contribution of $5,000 for the Illustrated History was (i) to purchase 1,000 copies for NCC. use (ii) to assist with translation costs. The contribution assured bilingual production of the book which was seen as a valuable addition to the history of the National Capital Region and of interest to both residents and visitors.

AIR CANADA'S FUEL SUPPLIERS

Question No. 3,083—**Mr. MacKay:**

1. Which oil companies supply Air Canada's fuel and other petroleum requirements in each province?

2. Are such contracts the subject of competitive bidding?

3. Does any supplier have the exclusive right or franchise to supply Air Canada's requirements in any particular area of the country and, if so, what (a) is the name of the supplier (b) area or areas are involved?

Hon. Mitchell Sharp (President of the Privy Council): The management of Air Canada advises as follows: 1. British Columbia: -Shell Canada Limited; Imperial Oil Limited; Alberta: Gulf Oil Canada Limited; Saskatchewan: Imperial Oil Limited; Manitoba: Imperial Oil Limited; Ontario: Shell Canada Limited; Imperial Oil Limited; Gulf Oil Canada Limited; Texaco Canada Limited; Quebec: Shell Canada Limited; Gulf Oil Canada Limited; Petrofina Canada Limited. In addition, Air Canada has numerous local contracts for the supply of motor gasoline and heating oil. This involves several other major as well as smaller regional suppliers such as Murphy Oil Quebec Limited and Canadian Import-Weaver Fuels. Air Canada also purchases other petroleum—derived products from petro-chemical firms such as Union Carbide Canada Limited and Dow Chemicals of Canada Limited and lubricant specialists such as Burmah-Castrol Canada Limited.

2. Yes.

3. In certain provinces of Canada, individual suppliers have been granted a contractual right to supply Air Canada's requirements for a limited period of time, following a request for tenders and the submission of bids. (A and B) See Above.

MESSRS. HORNER AND DORE

Question No. 3,086—**Mr. Cossitt:**

With reference to the answer to Question No. 2,365 which stated in part that the Prime Minister was accompanied on his Caribbean trip and to the Commonwealth Conference in Jamaica by security guards W. Horner and P. Dore in addition to two RCMP inspectors, are Messrs. Horner and Dore government employees, and (a) if so, with what department are they employed and what is their annual salary (b) if not, what is the name and address of the security service for which they work (i) what is the nature and detail of the contract it has with the government (ii) what is a description of all services that it provides to the government (iii) what is the annual cost to the government for services rendered by this security service?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes. (a) Messrs. W. Horner and P. Dore are security guards employed by the Department of External Affairs. They are paid at a basic hourly rate of $4.87 and $4.53 respectively. These two security guards accompanied the delegation to provide protection for classified papers. (b) Not applicable.

EXPANSION OF ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,087—**Mr. Cossitt:**

1. With reference to the announcement made by the Minister of Indian Affairs and Northern Development in an address to the annual meeting of the National and Provincial Parks Association of Canada on May 24, 1975 that Parks Canada would spend $30,000,000 on expansion of the St. Lawrence Islands National Park (a) what are the detailed improvements and expansion planned for the mainland section at Mallorytown Landing and on what date will they begin (b) approximately how many additional islands does the government plan to acquire (c) what islands presently owned by the government will undergo improvement and, in each case, what will be the improvements?

2. Is the government aware of the fact that only a very general announcement has been made on these matters forcing the asking price of properties in the Thousand Islands area to extremely high levels and, if so, will the government clarify its plans quickly so that property values will settle to a more realistic level?

Hon. Mitchell Sharp (President of the Privy Council): 1. a) Detailed expansion plans have not been developed for the Mainland section at Mallorytown Landing. Any improvements will be indicated in a preliminary master plan for the total park area. The preliminary plan will be presented to the public for their views and recommendations after which time the formal master plan will be developed. b) The precise number of islands to be acquired will be identified after further studies by Parks Canada, discussions with the Province and public consultation. c) The nineteen named islands in St. Lawrence Islands National Park vary in character and the capability to respond to recreational demands placed upon them. Studies of these capabilities are being undertaken and will be used as a guide in public discussions on the preliminary master plan.

2. An extensive public information programme will be undertaken to acquaint the public with the proposal for the expansion following Treasury Board approval and discussions with the province. We have no evidence that the general comments have had any effect on the asking price of the properties in the Thousand Islands area.

CENTRALIZING DATA BANKS

Question No. 3,089—**Mr. Beatty:**

Is the government considering any plans that would in any way centralize data banks now under the control of more than one department or agency and, if so, what are they?

Order Paper Questions

Hon. Jean Chrétien (President of Treasury Board): As reported in the reply to question 2,641, the Treasury Board secretariat is presently developing a centralized personnel management information data bank of employee data that will provide information to central agencies and departments as is necessary to support personnel administration in the Public Service in the areas of collective bargaining, compensation aspects, manpower planning and analysis, pensions, insurance and official languages. Treasury Board secretariat is also preparing a master plan for statistical activities that could eventually affect, in conjunction with recently proposed privacy legislation, the identification or creation of banks of data for inter-departmental use. The Public Service will review its plans for centralized data banks as well as the supporting policies and guidelines to ensure that Part V of Bill C-72 introduced into the House on July 21, 75 will be respected.

CANADIAN POLICE INFORMATION CENTRE

Question No. 3,090—**Mr. Beatty:**

In regard to the Canadian Police Information Centre, what regulations or agreements exist with respect to the (a) protection of an individual's privacy (b) type of information that may be entered into CPIC's data bank (c) categories of individuals and organizations to whom information contained in CPIC's data bank may be given?

Hon. Warren Allmand (Solicitor General): (a) Personnel authorized to operate CPIC terminal devices must have a security clearance equivalent to the Federal Government "SECRET" level. Terminal operation is restricted to authorized personnel. The audit team, in addition to auditing validation of records, examine personnel and site security to ensure that minimum standards are being maintained. Computer interfaces with CPIC will be restricted to systems approved by the CPIC Advisory Committee. (b) Vehicle File, Persons File, Property File, Criminal Records Synopsis. (c) RCMP, Provincial Police, City Police, Municipal Forces approved by the CPIC Advisory Committtee. The need for further dissemination is at the discretion of the Solicitor General of Canada, or the Minister of Justice, Attorney General or Solicitor General of the province or territory concerned.

STUDY OF LOBBYING

Question No. 3,095—**Mr. Beatty:**

1. With respect to the answer to Question No. 2,967 in which the government stated that it has not considered the registration of lobbyists and that no studies of the subject have been done, what is the study of lobbying by the Department of Consumer and Corporate Affairs that was referred to on page 25 of the July 1969, issue of *Canadian Business*?

2. Has the government introduced any laws or regulations to govern the relationship between lobbyists and government officials as reported in Part 2 of the answer to Question No. 2,967 and, if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): 1. This was a preliminary study carried out by an outside consultant, which did not lead to more extensive examination of this matter by the Department of Consumer and Corporate Affairs.

2. The government has not introduced laws or regulations to govern the relationship between lobbyists and government officials because the need for such control measures has not been determined.

[Mr. Beatty.]

LAWYERS AND LAW FIRMS IN CONSTITUENCY OF VICTORIA, BRITISH COLUMBIA

Question No. 3,096—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the government during 1973 and 1974?

2. By year, what was the total amount of money paid to each?

Hon. Mitchell Sharp (President of the Privy Council): In so far as agents of the Minister of Justice are concerned: See list below.

	1973	1974
Branson, C.O.D.		
Victoria, British Columbia	$41,093.93	$ 473.80
Cox, Kenneth B.		
Victoria, British Columbia	$ 5,295.47	$ 6,777.75
Hutchison, J. M.		
Victoria, British Columbia	$ 128.50	$ 1,090.00
Hutchison, R. B.		
Victoria, British Columbia	$ 1,167.01	$ 728.09
Pearlman and Lindholm		
Victoria, British Columbia	*	$ 9,783.96
Stewart, Ian H.		
Victoria, British Columbia	$ 1,862.47	*
Sullivan, Smith and Bigelow		
Victoria, British Columbia	$ 1,645.70	$59,745.04
Taylor, Rodney		
Victoria, British Columbia	$17,630.25	$ 1,915.50

* Work assigned during the period in question but no accounts received during this period.

HIGH RISK NUTRITIONAL DEFICIENCIES

Question No. 3,097—**Mr. Marshall:**

1. What action has the government taken with regard to persons involved in the Nutrition Canada study who were discovered to have high risk nutritional deficiencies?

2. Have any contacts been made with the particular person?

3. Have any contacts been made with the provincial departments of health to discuss corrective measures as to the provincial departments of welfare services?

4. Is it the intention of the Minister of National Health and Welfare to request additional funding in order to initiate corrective programmes?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. In response to the findings of the Nutrition Canada Survey, the government has proposed extensive food enrichment programs to maintain and improve the nutritional quality of the Canadian food supply. These include: (a) proposed amendments to the Food and Drug Regulations to make mandatory the addition of Vitamin D to all forms of milk, vitamin A to skim and partially skimmed milks and margarine, vitamin C to evaporated

milks, fruit drinks and non-citrus fruit juices, and three B-vitamins and iron to flour. (b) proposals to require that the iron used to enrich flour and other foods be in a form which can be readily assimilated by the body. In addition, discussions are underway with the food industry to extend flour enrichment to include other nutrients lost in processing, including folic acid, and to make mandatory the addition of calcium to all flour sold in Canada. The impact of these proposed measures should be a substantial improvement in the health of Canadians with respect to the nutrient deficiencies identified by the Nutrition Canada Survey.

2. Yes. The participant and his or her family doctor were advised by letter whenever the biochemical tests indicated a need for further medical investigation. When people with medical problems were encountered during the clinical examination in the survey, they were referred to their local public health unit for treatment.

3. A Federal-Provincial Nutrition Committee composed of representatives of the Department of National Health and Welfare and of the governments of the 10 provinces has been formed. This committee has discussed the results of the Nutrition Canada Survey and has made recommendations to the Conference of Deputy Ministers of Health concerning the need for remedial programs in nutrition.

4. A decision on whether additional funding will be required for corrective programs has not yet been made.

GOVERNORS GENERAL ARMIGEROUS

Question No. 3,098—**Mr. Kaplan:**

Are any descendants of former Governors General armigerous as a result of service in such office?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Citation 171 (dd).

REPORT ON BILINGUAL DISTRICTS

Question No. 3,099—**Mr. Gauthier (Ottawa-Vanier):**

With reference to the question relating to the report of the advisory committee on bilingual districts at page 5508 of *Hansard* for May 6, 1975, will the government confirm that the French and English versions of the report were sent to the printer in June and, if so, on what date will the report be published?

Hon. James Hugh Faulkner (Secretary of State): Yes. It is anticipated that the report of the Bilingual Districts Advisory Board will be tabled around the end of October.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, if questions No. 710, 1,215, 1,455, 1,562, 1,742, 1,878, 2,207, 2,240, 2,289, 2,293, 2,401, 2,438, 2,496, 2,536, 2,634, 2,664, 2,670, 2,696, 2,761, 2,845, 2,882, 2,917, 2,928, 2,945, 2,970, 2,971, 3,006, 3,007, 3,045, 3,060, 3,062 and 3,082 could be made orders for return, these returns would be tabled immediately. I have a box in front of me containing these orders for returns which will be taken to the table forthwith.

Mr. Baldwin: But will those questions be printed in *Hansard*?

Mr. Lambert (Edmonton West): Mr. Speaker, on a point or order, I hope the House will be assured that all these 400-odd questions will be printed in *Hansard* in the usual course today, and not merely tabled. Second, I ask there to be justification given for the extraordinary number of questions the government seeks to introduce as orders for returns. Frankly, when a question is made an order for return it is almost tantamount to burying it. I think this practice should be deprecated and indulged in only in exceptional circumstances, when the reasons for it are given.

Mr. Sharp: Mr. Speaker, I had hoped that greater appreciation might be shown for the government's diligence during the three-month holiday, to which the hon. member earlier referred, in the answering of these questions. I assure the hon. gentleman that the answers to the list of questions I tabled will appear in *Hansard* as usual. Only the orders for returns will be treated in the way he suggested. I also assure him that they are only being made orders for return because of their bulk, which the hon. member can see from the box of material which was tabled.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

Mr. Speaker, I think I should have raised a question of privilege. Perhaps I would then have been heard earlier. In any event, Mr. Speaker, I do not want to waste the time of the House, but the interpreter on the French side, who is responsible for translating in French the remarks of the English-speaking members in this House, including those of the President of the Privy Council (Mr. Sharp), was complaining about not being able to interpret him because the member was speaking too fast.

As we are much interested in understanding what the President of the Privy Council says, I think we are justified in asking that he read a little more slowly, although we will have the opportunity to read *Hansard* tomorrow.

If we could hear them today, we would save time. We would not be obliged to read his statement tomorrow for we would take advantage of the opportunity to hear it in a more comprehensible way. That is why I rise on a point of order. I ask that we go a little more slowly to allow the interpreter to transmit the message and to make the interpretation in a more comprehensible manner.

Mr. Speaker: Here is the list. May we give it to the hon. member right away?

Some hon. Members: Agreed.

[*English*]

Mr. Sharp: Mr. Speaker, I ask to questions No. 2,358, 2,473, 2,641, 2,687, 2,811 and 2,969 be made orders for returns. I also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

Mr. Speaker: Does the House agree? Shall the questions enumerated by the President of the Privy Council be made orders for returns under these conditions? Is that agreed?

Some hon. Members: Agreed.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF ENERGY, MINES AND RESOURCES—TRAVELLING EXPENSES

Question No. 710—**Mr. Stevens:**

1. In each fiscal year ending March 31, 1972, 1973 and 1974, and for the six month period ending September 30, 1974, what was the aggregate expenditure by the Department of Energy, Mines and Resources for travel abroad by (a) the Minister of Energy, Mines and Resources and his immediate staff (b) departmental staff (c) the staff of boards, commissions, tribunals, Crown corporations or other similar agencies reporting to the Minister (d) others whose expenses were paid in part or in whole directly or indirectly by the government?

2. In the case of an expenditure in excess of $200 (a) what was the purpose of the foreign trip (b) what was the furthest destination (c) what is the name of the person(s) who took the trip (d) how long was the person(s) outside the country (e) what was the nature of the expenditure (f) how many others were in the party making the trip?

Return tabled.

GRAIN

Question No. 1,215—**Mr. Benjamin:**

In each fiscal year 1971-72 to 1974-75 to date, did the government, or any branch, Crown corporation or agency (including the Canadian Wheat Board, Canadian Grain Commission, Canada Grains Council or any committee or group thereof) pay over to or give approval for the payment of money for any purpose whatsoever to (a) the Palliser Wheat (grain) Growers Association (b) any firm or individual(s) acting as consultant to or on behalf of the Palliser Wheat Growers Association or any individual, groups or committee acting for, on behalf of or representing the Association (c) any individual, organization or company carrying out research and/or feasibility studies regarding inland grain terminals (d) Ron Bryden, Patrick Foody or Pechtrol Ltd. and, if so (i) how much money and to whom (ii) on what date was it paid or authorized to be paid (iii) for what purpose?

Return tabled.

MEDICAL RESEARCH—GOVERNMENT ASSISTANCE

Question No. 1,455—**Mr. Jones:**

How much money has been spent by the government on (a) cancer research (b) heart disease research (c) medical research and what are the details of each such expenditure?

Return tabled.

GOVERNMENT FINANCED HOUSING STUDIES

Question No. 1,562—**Mr. McKenzie:**

1. How many government-financed housing studies have been conducted since July 1, 1968?

2. What were (a) the names (b) the individual costs (c) the purposes of terms of reference for each?

3. How many housing surveys have been conducted by Statistics Canada or any other government organizations since July 1, 1968 and what was the cost of each?

[Mr. Sharp.]

Return tabled.

PUBLIC WORKS—AMOUNT OF CONTRACTS TO CORPORATIONS AND COMPANIES

Question No. 1,742—**Mr. Clark (Rocky Mountain):**

From 1969-70 to the present, what was the complete amount of contracts given by the Department of Public Works to corporations and companies which receive a single contract of at least $250,000?

Return tabled.

GRAIN—ELEVATOR CAPACITY AT CN DELIVERY POINTS

Question No. 1,878—**Mr. Mazankowski:**

1. For each CN delivery point (a) Gibbons (b) Coronado (c) Redwater (d) Kerensky (e) Radway (f) Waskatenau (g) Warspite (h) Smoky Lake (i) Edwand (j) Bellis (k) Vilna (l) Spedden (m) Ashmont (n) Mallaig (o) Therien (p) Glendon (q) Franchere (r) Bonnyville (s) Fort Kent (t) Beaver River (u) Grand Centre (v) Abilene (w) Owlseye (x) St. Paul (y) Elk Point (z) Lindbergh (aa) Heinsberg how many (i) elevators (ii) elevator operators are there?

2. What is the total elevator capacity at each point?

3. For each year 1970 to 1974 and for each delivery point, how many (a) bushels of wheat, barley, oats, rapeseed, flaxseed including durum, were shipped (b) carloads does this represent?

4. For the same years and delivery point, how many (a) tons of freight by classification, excluding grain, were shipped in and out (b) carloads does this represent?

5. For the same years and delivery point, what was the (a) total revenue (b) average revenue per ton mile (c) average per ton mile revenue, excluding tons shipped under statutory rates?

Return tabled.

COST OF OPERATING INFORMATION SERVICES

Question No. 2,207—**Mr. Marshall:**

What is the cost of operation of each of the information services as listed in the answer to Question No. 2,082?

Return tabled.

COST OF STAMP DESIGNS SINCE 1968

Question No. 2,240—**Mr. Reynolds:**

1. Since 1968 (a) how much money has been paid for special stamp designs (b) how many different designs have there been?

2. What are the names and addresses of designers and how much are they paid for each design?

3. Is any competition held?

Return tabled.

SOLAR ENERGY

Question No. 2,289—**Mr. Jones:**

1. What consultants have been retained to study the use of solar energy for various purposes?

2. What are the (a) terms of each contract (b) amount of each contract?

3. (a) What other steps are being taken to study solar energy (b) by whom (c) under what conditions (d) at what cost?

4. Will reports on such studies be made available and, if so, on what date?

5. What consideration has been given to (a) heating (b) heating water for government buildings and buildings of government agencies by way of simple solar collector systems at less cost?

6. How long would it take to obtain simple solar collector systems for the heating and/or heating of water for Parliament buildings?

7. (a) What financial assistance is available to encourage private enterprise for research and study in solar energy (b) has such assistance been made available and, if so (i) to whom (ii) at what cost?

8. What financial assistance and/or grants would the government make available to individuals and firms for installation of solar energy systems for the heating of homes and structures and for the heating of water for residential, commercial and industrial purposes?

9. What consideration has been given to restricting, regulating and/or prohibiting under certain circumstances, the installation and/or use of air conditioning and other similar luxurious uses of energy until alternate sources of energy are available and/or the energy crisis is solved?

Return tabled.

ENERGY, MINES AND RESOURCES—COST OF ADVERTISEMENT RELATING TO TURNING OFF LIGHTS

Question No. 2,293—**Mr. Munro (Esquimalt-Saanich):**

1. What was the cost, by province, of inserting the full-page advertisement in newspapers on March 15 by the Department of Energy, Mines and Resources, and designed to bring to the attention of readers, the $900 per week saved by the Department in turning off the lights in its building at 580 Booth Street, Ottawa?

2. In what newspapers was the advertisement inserted?

3. Has the Department succeeded in persuading the Department of External Affairs and the Department of National Defence to turn its lights off each night and, if so, at what weekly saving?

4. Are all departmental buildings in Ottawa and across the country effecting similar savings?

Return tabled.

PUBLICITY CONTRACTS FOR QUEBEC TERRITORY

Question No. 2,358—**Mr. Beaudoin:**

To what agency does the government grant all publicity contracts for the Quebec territory?

Return tabled.

FEDERAL PRISONS—BEHAVIOURAL MODIFICATION PROJECTS

Question No. 2,401—**Mr. Beatty:**

1. Is it government policy to allow behavioural modification projects to be conducted in the federal prison system and, if so, in each case (a) what is the purpose of the project (b) who are the persons responsible for its completion (c) how many subjects are involved (d) what is the nature of the treatment?

2. What departments, agencies, boards, commissions or Crown corporations, if any, are directly or indirectly involved in behavioural modification programmes and, in each case (a) what is the nature of the government's involvement (b) what is the purpose of the project (c) how many subjects are involved (d) who is the person responsible for the government's participation (e) who is the person in charge of the programme (f) what is the nature of the treatment?

Return tabled.

ARREARS OF PAYMENT OF SPECIAL UNITED NATIONS ASSESSMENT FOR MAINTENANCE OF UN EMERGENCY FORCE

Question No. 2,438—**Mr. Stanbury:**

As of April 30, 1975 (a) what amount was owing by each country in arrears of payment of the special United Nations assessment for maintenance of the UN Emergency Force and the UN Disengagement Observer Force in the Middle East (b) how much has Canada received on account of its contributions to these forces (c) what amount is owing to Canada on this account?

Return tabled.

DETAILS OF ADVERTISING CONTRACTS

Question No. 2,473—**Mr. Cossitt:**

Since July 8, 1974, what are all the details of advertising contracts over $1,000 for newspapers, magazines, radio and television awarded by the government and, in each case (a) the amount of the contract (b) the name of the advertising agency and agency commission or fee (c) the advertising subject-matter (d) whether or not competitive bids or presentations were called for (e) the name and job designation of the government authority authorizing the contract?

Return tabled.

ESTIMATES FOR FISCAL YEAR ENDING MARCH 31, 1976

Question No. 2,496—**Mr. Herbert:**

By how much, by department, were the forecast expenditures 1974-75 as shown in the Estimates for the fiscal year ending March 31, 1976, less than the total of the Estimates for the fiscal year ending March 31, 1975, plus the Supplementary Estimates (A), (B), (C) and (D) for the fiscal year ending March 31, 1975?

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION OUTREACH PROGRAMME

Question No. 2,536—**Mr. Gauthier (Ottawa-Vanier):**

1. With respect to the Department of Manpower and Immigration's Outreach programme, what was, by project and region, the (a) number (b) location (c) name (d) staff (e) estimate for 1974-75?

2. What was the budgetary increase allowed for each project for the 1975-76 fiscal year?

3. Are some projects terminated and, if so (a) how many (b) for what reason?

4. What are the evaluation criteria of (a) projects (b) the programme in general?

5. What steps will be taken to extend or give permanence to projects that have achieved or exceeded the objectives of the Department as set forth in a press release on October 10, 1974?

Return tabled.

MOVEMENT OF GRAIN IN CANADA

Question No. 2,634—**Mr. Mazankowski:**

1. What (a) are the names (b) is a brief definition of the job specifications of each union directly or indirectly involved in the movement of grain in Canada?

2. What (a) are the names (b) is a brief definition of the job specifications of each company directly or indirectly involved in the movement of grain in Canada?

Return tabled.

GOVERNMENT AUTOMATED OPERATIONAL INFORMATION SERVICES

Question No. 2,641—**Mr. Beatty:**

For each department, agency, board, commission and Crown corporation maintaining an automated operational information system, what is (a) the name of the system (b) the nature and purpose of the system (c) the category and number of persons on whom data is (to be) maintained (d) the category of data (to be) maintained, indicating which category is (to be) stored in computer-accessible files (e) the policy and practice regarding (i) data storage (ii) duration of retention of data and disposal (f) the category of data sources (g) a description of all types of uses (to be) made of data, indicating those involving computer-accessible files, and including all classes of users and the organizational relationships among them (h) the procedure whereby an individual can (i) be informed if he is the subject of data in the system (ii) gain access to such data (iii) contest their accuracy, completness, pertinence and the necessity for retaining them (*i*) the title, name and address of the person immediately responsible for the system?

Return tabled.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,664—**Mr. Clark (Rocky Mountain):**

1. In which buildings within the National Capital Region does the Department of National Health and Welfare presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Return tabled.

DEPARTMENT OF SUPPLY AND SERVICES—RENTAL OF OFFICE SPACE IN NATIONAL CAPITAL REGION

Question No. 2,670—**Mr. Clark (Rocky Mountain):**

1. In which buildings within the National Capital Region does the Department of Supply and Services presently rent office space on either a short term or long term lease basis?

2. What is the monthly rent paid for the leasing of office space in each case?

3. What is the length of time of each such lease?

4. What are the signing and starting dates of each such lease?

5. On what date was there physical occupation of each of the premises by the branch for which the office space was secured?

Return tabled.

USE OF AIRCRAFT SUPPORT BY DEPARTMENTS

Question No. 2,687—**Mr. Forrestall:**

1. Which departments of government in pursuit of their programmes used aircraft support obtained from and provided by the air fleets operated by DND and DOT in the fiscal year 1974-75?

[Mr. Mazankowski.]

2. For each such department (a) how many actual flying time hours and/or days were obtained by type of aircraft provided (b) what was the level of compensation paid to DND and DOT?

Return tabled.

NAMES AND ADDRESSES OF ADVERTISING AGENCIES EMPLOYED BY EACH FEDERAL DEPARTMENT

Question No. 2,696—**Mr. Caouette (Témiscamingue):**

What are the names and addresses of the advertising agencies employed by each department?

Return tabled.

ATOMIC ENERGY CONTROL BOARD—STANDARD LICENCING AGREEMENT

Question No. 2,761—**Mr. Francis:**

Can the Atomic Energy Control Board supply a standard licencing agreement and, if so, will the government Table a copy in the House?

Return tabled.

LANGUAGE TEACHING SECTIONS WITHIN DEPARTMENTS OF PUBLIC SERVICE

Question No. 2,811—**Mr. Lambert (Edmonton West):**

1. Have any departments set-up or are contemplating setting-up separate English and French language teaching sections within the department separate and distinct from the language school operated by the Public Service Commission and, if so (a) which ones (b) on what date was such decision taken, by whom and for what reasons?

2. How many man-years are the estimated requirements for the purpose of each department as described in Part 1?

3. What is the public service classification and salary range of any and all persons heading up such a section or group?

4. Will such sections, by direct departmental instructional courses, replace any of the teaching functions of the language school and, if so, in what way?

5. Are there to be any redundancies in teaching staff at the language school and, if so, how many, or will there be a transfer to departments of any or most of the teaching personnel of the language school?

6. What is the estimated cost by department of such a reorganization?

Return tabled.

LEGAL AID AGREEMENTS

Question No. 2,845—**Mr. Laprise:**

1. With reference to the legal aid agreement between the federal and provincial governments, what were the amounts given to each province in 1973 and 1974?

2. In each province, how many persons were helped each year and for what offences?

Return tabled.

REGISTERED RETIREMENT SAVINGS PLANS—DEDUCTIONS FROM PERSONAL INCOME TAX

Question No. 2,882—**Mr. Knowles (Winnipeg North Centre):**

1. For the taxation years 1970 to 1974, both inclusive, how many individual tax filers claimed deductions from personal income tax for contributions to Registered Retirement Savings Plans and what was the total amount claimed?

2. For Canada and for each province, how many individual tax filers claimed deductions and what was the total amount claimed by (a) income group (i) under $5,000 (ii) $5,000-$9,999 (iii) $10,000-$14,999 (iv) $15,000-$19,999 (v) $20,000-$24,999 (vi) $25,000-$49,999 (vii) over $50,000 (b) age group (i) under 20 (ii) 20-30 (iii) 31-40 (iv) 41-50 (v) 51-60 (vi) over 60?

3. How many individual tax filers claimed deductions and what was the total amount claimed, by type of financial institution dealt with (chartered banks, life insurance, trust or mortgage companies)?

Return tabled.

POST OFFICES LOCATED IN CALGARY, ALBERTA

Question No. 2,917—**Mr. Schumacher:**

1. By type and location, how many postal facilities are located in the (a) North East (b) North West (c) South East (d) South West of Calgary, Alberta at the present time?

2. In each case, as at June 1, what were comparison numbers for (a) 1974 (b) 1973 (c) 1972 (d) 1971 (e) 1970?

3. In each case, at the present time, are services available to the public for (a) parcel pick-ups (b) COD pick-up (c) registering mail (d) purchasing money orders (e) bulk mailings?

4. On what date was the last postal survey of facilities available in each section in Part 1 and what was found to be the total volume of business carried out at that time from existing facilities?

5. In each section, what figures and/or statistics were used since 1960 by the Post Office Department to determine the growth in (a) households (b) apartments (c) businesses?

Return tabled.

IMMIGRATION POSTS ALONG THE CANADA-U.S. BORDER

Question No. 2,928—**Mr. Friesen:**

1. What Canadian customs and immigration posts along the Canada-US border do not have direct telephone or other communications systems available to their counterparts on the American side?

2. How many persons were employed as customs and immigration officers at the Douglas Port of entry in British Columbia in each year 1965 to 1975?

3. What kind of special training do customs personnel receive for the detection of hard and soft drugs?

Return tabled.

TRANSPORT—FEASIBILITY STUDIES AWARDS FOR MIRABEL AIRPORT

Question No. 2,945—**Mr. Huntington:**

1. Since 1968, how many consulting service commissions and feasibility studies did the Department of Transport award for Mirabel Airport?

2. In each case, what was the name of (a) the company (b) the corporation (c) partnership and/or person which (i) tendered a bid and the amount of their respective tenders (ii) was awarded the contract?

3. In each case, what was (a) the final amount paid under the contract (b) the specific category of the project or aspect of design the contract was awarded under for (i) runways (ii) passenger terminals (iii) access (iv) environment (v) others?

Return tabled.

Order Paper Questions

PAYMENT TO PERSONS SITTING ON BOARDS OF DIRECTORS IN RECEIPT OF PAYMENT OTHER THAN DIRECTORS' FEES

Question No. 2,969—**Mr. Herbert:**

1. Which persons sit on the boards of directors of departmental, agency and proprietary corporations and receive payment, other than director's fees, for services rendered to their corporation?

2. What is the annual remuneration in each case where the amount has not been approved by Act of Parliament?

Return tabled.

PARKS CANADA—LEASE OF VEHICLES

Question No. 2,970—**Mr. Clark (Rocky Mountain):**

1. For the fiscal year 1974-1975, how many vehicles were leased by or for Parks Canada for use in (a) Jasper National Park (b) Banff National Park (c) Waterton Lakes National Park?

2. In each case (a) what was the (i) term (ii) cost of the lease (b) what type of vehicle was involved (c) from whom were the vehicles leased (d) for what purpose was the vehicle used?

Return tabled.

RECALL OF CHRYSLER AUTOMOBILES

Question No. 2,971—**Mr. Robinson:**

How many Chrysler automobiles were recalled in each year 1970 to 1975 to date and for what reason?

Return tabled.

CADET LEAGUES

Question No. 3,006—**Mr. Marshall:**

1. In regard to the 7,000 Air Cadets attending summer camp (a) how many applied (b) what percentage of applications were accepted (c) what was the allocation quota (i) for each province (ii) by Cadet (d) which Cadet units are attending summer camp (e) how many female Air Cadets are attending?

2. What grants are allocated to the three Cadet Leagues?

3. In regard to each Cadet unit in Canada under Air, Army and Navy, what is the (a) authorized quota (b) present strength (c) sponsoring body?

4. Have the Cadet services of Canada requested an increase in grants because of inflation and, if so, what was the government's decision?

5. Did the government increase the grants and (a) if so, in what amount (b) if not, for what reason?

Return tabled.

GRANTS UNDER INTERNATIONAL WOMEN'S YEAR PROGRAMME

Question No. 3,007—**Mr. Marshall:**

What was the (a) project name (b) sponsor (c) location of each recipient of the seventy-two grants given under the International Women's Year Programme?

Return tabled.

NATIONAL DEFENCE—SHIP CONSTRUCTION

Question No. 3,045—**Mr. Huntington:**

1. In each of the past five years, how many contracts have been awarded for ship construction, acquisition and/or refitting by the Department of National Defence, including those awarded through any other department and, in each case (a) who was the successful bidder and for what amount (b) what was the final amount paid under the

contract (c) what other tender bids were received (i) from whom (ii) for what amount?

2. For the same period, how many contracts have been awarded for ship acquisition, construction and/or refitting without tenders being called and, in each case (a) for what amounts (b) for what reasons?

3. What are the names and addresses of companies in Canada listed with the Department of National Defence or any other department who have expressed their wish to tender bids for ship construction sale or refitting and/or related marine work?

Return tabled.

CAMPEAU CORPORATION LTD.

Question No. 3,060—**Mr. Huntington:**

1. Has Campeau Corporation Ltd. received funding from CMHC for any of its projects and, if so, for each transaction since July 1, 1973 (a) what were the projects (b) the amounts (c) the terms (d) the interest rate?

2. In what buildings owned by Campeau Corporation Ltd. or its subsidiaries does the government currently lease space and, in each case, what is (a) the square footage (b) dollar cost (c) rate per square foot?

3. For each year since 1968, what is the square footage of building space and the dollar cost to the government for space leased from Campeau Corporation Ltd.?

Return tabled.

STOL SERVICE

Question No. 3,062—**Mr. Jones:**

1. How many employees of the government and/or Crown agencies or corporations used the STOL service between Ottawa and Montreal from January 1, 1975 to date?

2. What was the cost?

3. For what reason did they use STOL instead of the regular carriers?

Return tabled.

UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 3,082—**Mr. Alexander:**

1. For those claimants receiving unemployment insurance benefits in (a) 1974 (b) 1975 to date, how many, by month, had (i) an eight (ii) a nine (iii) a ten (iv) an eleven (v) a twelve (vi) a thirteen (vii) a fourteen (viii) a fifteen (ix) a sixteen (x) a seventeen (xi) an eighteen (xii) a nineteen (xiii) a twenty week attachment to the labour force previous to their application for receipt of benefits?

2. For each category, what percentage of the total unemployment insurance recipients did these applicants constitute?

3. Of the total number of recipients receiving unemployment insurance benefits what percentage, by month, for (a) 1974 (b) 1975 to date, qualified for the 75% benefit rate due to their (i) classification as "low income claimants" under Section 24 of the Unemployment Insurance Act (ii) qualifying for extended benefits under Section 35 of the Act?

4. In (a) 1974 (b) 1975 to date, what was the total gross benefits paid out to recipients who qualified for the 75% benefit rate under Section 35 of the Act?

Return tabled.

* * *

STARRED QUESTIONS

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, would you be so kind as to call starred questions No. 2,246, 2,640, 2,940, 3,051 and 3,084?

[Mr. Huntington.]

*NATIONAL HARBOURS BOARD

Question No. 2,246—**Mr. Forrestall:**

1. In what areas of day-to-day operations has authority been delegated from the National Harbours Board at the Port of Montreal to an Executive Committee?

2. Is it the policy of the government to keep secret the minutes of the Board?

3. Are any portions of the minutes made public and, if so, under what specific circumstances?

4. What are the guidelines used by the Board to determine whether or not policy matters are made public or are withheld from public examination?

5. On what date were they adopted and what is the wording in the legislation that supports this policy?

6. How far does the withholding of policy decisions from the public advance the image or credibility of the Board in the view of the government?

7. Is the government prepared to review this matter of alleged secrecy in the adoption of the new port policy?

8. Do the regulations of the Board conform in every respect to the guidelines for the release of government documents to the public as Tabled in the House on December 14, 1974?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as the answer to starred question No. 2,246 is lengthy, I ask the House to consent to the answer being printed in *Hansard* as if read.

Some hon. Members: Agreed.

[*Editor's Note: Answer above referred to reads as follows.*]

1. The National Harbours Board has delegated some authority to an Executive Committee of the Montreal Port Authority with respect to the day-to-day operations at the Port of Montreal in the area of personnel, leases, work contracts, service contracts, purchases, rental of equipment, budgets, marketing, public relations, travel and claims.

2. The Minutes of the National Harbours Board reflect the decisions of the Chairman and Members who are responsible for the administrative management and control of the property under the Board's jurisdiction. The National Harbours Board ports are in competition with other ports both within Canada and in the United States. It is therefore not considered to be in the best interest of either the National Harbours Board or Canada to make such decisions a matter of public information, since many are related to on-going and sometimes confidential business arrangements.

3. Extracts of Minutes of meetings of the Board are made available to the Courts for such action as the swearing in or dismissal of police constables or for the transfer of property but are not made public by way of any further distribution. All Minutes of the meetings are available to the Minister of Transport when required.

4. The National Harbours Board is responsible to Parliament through the Minister of Transport. The Board advises the Minister on all policy matters which are felt to be in the public interest in fulfilment of its responsibility to Parliament and the people of Canada, recognizing its role

as a Crown Corporation in competition for business with comparable organizations both within and outside Canada. The Minister of Transport determines the extent to which such policy matters should be made public and at what time in their development.

5. The adoption of a specific policy is not required, since the matters coming to the attention of the Minister of Transport related to disclosure may vary and are subject to the Minister's determination.

8. Yes.

Insofar as the Ministry of Transport is concerned:

6. The Minister of Transport, who has responsibility for the National Harbours Board, determines which policy decisions should be made public. He also decides where public participation and feed back will be helpful in policy formulation or changes. Implicit in these decisions is the desire to advance the public image of the Government as well as the Board.

7. There is no secrecy in the execution of the present port policies or in consideration of a new ports policy, although some matters have to be confidential during developmental stages.

*CONSUMER HELP OFFICE, BRANDON, MANITOBA

Question No. 2,640—**Mr. Dinsdale:**

On what date and in what location will the Consumer Help Office be opening in Brandon, Manitoba?

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer to starred question No. 2,640 is as follows: At this time there are no plans to establish a consumer help in Brandon, Manitoba.

*CREATION OF CANADIAN EGG MARKETING AGENCY

Question No. 2,940—**Mr. McGrath:**

1. Was the government aware of and did it concur in the suggestions of the Minister of Agriculture that the Provinces of Alberta and New Brunswick should sign the CEMA agreement in order to (a) avoid the control of the movement of eggs from these two Provinces into the other eight (b) prevent the possible flooding of Alberta and New Brunswick markets with eggs from the other provinces (c) preclude the necessity of controlling the movement of foreign eggs into the two Provinces (d) avoid the removal of federal authority for indirect taxation by the two provincial marketing boards?

2. (a) On what basis are egg prices to be determined (b) if prices are based on a cost of production formula, how was such formula derived?

3. What steps have been taken to ensure that production levels set by CEMA accurately reflect domestic demands?

4. If the production levels do, in fact, realistically reflect demand, what controls have been instituted to ensure that production will not exceed the levels set by CEMA?

5. What steps have been taken to ensure that no barriers to interprovincial trade will occur under the new programme?

6. Has CEMA been instructed to account publicly for all its decisions affecting egg prices and surplus removal?

7. When US prices rise, can the government give Canadian consumers assurance to provide justification for supply management and price stability that Canadian eggs will not be exported to the US in response to such a rise, thereby increasing domestic prices?

8. According to CEMA projections, what will be the new egg prices in each province once the programme is fully operational?

9. What is the dimension of the current egg surplus?

10. What steps have been taken to ensure that the wastage of eggs which occurred in 1974 will not be repeated?

11. Is it the intention of the government, while restricting imports of table eggs, to degrade Canadian surplus eggs and sell them in export markets for processing?

12. Will the Executive Committee to be appointed to direct CEMA include representatives of non-producers as recommended by the Board in its second egg report?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): The answer to starred question No. 2,940 is three pages long and I would like the unanimous consent of the House to have it printed as read?

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: Answer referred to above reads as follows.*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the answer is: 1. No such suggestion was made.

2. The amendments to the Federal-Provincial agreement call for a reasonable return over time to producers and in order to achieve this objective CEMA has adopted a cost of production approach. (A) See Sessional Paper No. 301-4/73. (B) The formula was prepared by P.S. Ross & Partner, a firm of consultants who did an exhaustive study over a period of many months.

3. CEMA, in consultation with the Farm Products Marketing Council are continually monitoring production; inventories and disapearance. The quotas have been reduced by 10% in all provinces with more than 2% of the national quota.

4. See answer to Part 3. Heavy penalties have been set under the recent amendment to the Federal-Provincial agreement and each provincial board has provided a bond to CEMA to ensure payment of any necessary penalties.

5. Free movement of eggs interprovincially is a requirement of the Federal-Provincial Agreement.

6. CEMA functions within the framework of a Federal-Provincial agreement supervised by the Farm Products Marketing Council. The Council will issue regular reports regarding the activities of all agencies as provided in the Farm Products Marketing Agencies Act.

7. Should U.S. egg prices rise to provide an incentive for increased exports of eggs from Canada to the U.S.A., the Export and Import Permits Act would be used to protect supply and maintain reasonable prices in Canada.

8. The producer prices are being published weekly by Agriculture Canada and are available to the public. See answer to Part 2.

9. Current egg production is keeping up with table egg and processing demand. No unmanageable surpluses are reported at this date. Exact amounts vary from week to week.

10. See answer to Part 3. Also CEMA now require that all surplus to table egg requirements owned by CEMA be sold for processing within 7 days.

11. The matter of egg marketing is the responsibility of CEMA under the terms of the legislation approved by Parliament and through an agreement approved by ten

provincial governments and the federal government. The matter of import controls to protect supply management was authorized by Parliament under the Export and Import Permits Act and the volume of imports allowed under that Act relate to the volume imported in the base period 1969 to 1973.

Respecting disposal of eggs see answer to Part 10.

12. Yes. the Committee of three, which has been appointed, includes one person who is a non-producer, one person whose main business is poultry and the Vice-Chairman of CEMA.

*PRIME MINISTER'S RESIDENCE—GRAND PIANO

Question No. 3,051—**Mr. Coates:**

1. Has there recently been a purchase, at public expense, of a grand piano for the part-time summer residence of the Prime Minister at Harrington Lake and, if so, what was the exact purchase price?

2. Were public tenders called and (a) if so, how and on what date (b) if not, for what reason?

3. Will the piano be played exclusively by the Right Honourable the Prime Minister?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the answer to starred question No. 3,051 is as follows: 1. The Department of Public Works has no records of a grand piano having been purchased at public expense for the Prime Minister's summer residence at Harrington Lake.

2. No public tenders were called by the Department of Public Works.

3. Not applicable.

*CANADIAN ARMY—RECRUITMENT AND TRAINING OF NURSES

Question No. 3,084—**Mr. Baker (Grenville-Carleton):**

1. Has the Canadian Armed Forces increased its recruitment and training of nurses?

2. How many military nurses are graduating in 1975 as opposed to (a) 1974 (b) 1973?

3. Are there vacant positions for nurses at military establishments other than NDMC?

4. What is the process of selection which determines what positions will be filled by graduating military nurses (a) generally (b) specifically with respect to NDMC?

5. Has the Canadian Armed Forces changed its policy on the rotation of military nurses abroad?

6. What number of military nurses will be required to serve outside of Canada in 1975 as opposed to (a) 1974 (b) 1973?

7. What priority will be given to the reinstatement and/or re-employment of any or all of the fourteen nurses either within DND or other departments and agencies of the Public Service (a) in the National Capital Region (b) elsewhere?

8. Will civilian nurses subject to lay-off be considered for vacant positions at other military establishments immediately or as they fall vacant?

9. Does the Department propose to lay off all civilian nurses at NDMC and, if so, in what time frame?

10. How much does it cost to keep one military nurse at the rank of (a) Lieutenant (b) Captain (c) Major for one year, inclusive of salary, fringe benefits, uniforms, accommodation and other benefits?

Hon. James A. Richardson (Minister of National Defence): Mr. Speaker, as the answer to starred question No. 3,084 is long, I ask the House if it can be printed in *Hansard* as if read.

[Mr. Whelan.]

Some hon. Members: Agreed.

[*Editor's Note: Answer above referred to reads as follows:*]

Mr. Richardson: 1. The Canadian Armed Forces do not recruit and train nurses. Only graduate registered nurses who have a minimum of two years post graduate nursing experience are enrolled in the Armed Forces.

2. As indicated in answer number one there are no military nurses graduating in Canada, however, enrollment of registered nurses in the Armed Forces up to the present in 1975/76 was 35, in 1974/75 enrollment was 97, and in 1973/74 enrollment was 47.

3. Yes, on a temporary basis.

4. (a) and (b). The prerequisites for selection of nurses for the Forces are: must be a graduate nurse; have a minimum of two years post graduate nursing experience; and be currently registered in a provincial nurses association. On enrollment nurses are placed in vacant positions at Canadian Forces hospitals and clinics wherever they exist. There is no special selection process for NDMC.

5. No.

6. 22. (a) 21; (b) 21.

7. (a) and (b). The fourteen nurses referred to who were previously employed at NDMC were all term employees and there is no priority by statute, for re-appointment in accordance with the Public Service Employment Act. However, it is the practice within DND to re-appoint nurses in order of seniority for NDMC in the National Capital Region or to military establishments elsewhere provided they are available for service at the new location, and belong to the Registered Nurses Association in the province of employment

8. Yes, as positions become vacant.

9. No.

10. Average salary and uniform allowances amount to: (a) $11,358 per annum. (b) $16,800 per annum. (c) $20,436 per annum. Medical and dental care and other fringe benefits cannot be accurately estimated on an individual basis.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

Mr. Speaker: I ought to forewarn hon. members that there has been some technical difficulty with the computer equipment in the government printing bureau which will put the printing of *Hansard* behind schedule. I suggest that the burden which has been placed on those facilities in the last few minutes will make the situation critical. We can do little more than keep our fingers crossed: there may be some delay in the delivery of *Hansard* tomorrow.

Orders of the day.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT'S ANTI-INFLATION PROGRAM

Mr. Speaker: Pursuant to special order made earlier this day, Mr. Macdonald (Rosedale), seconded by Mr. Sharp, moves:

That this House do now adjourn.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as my first words, in light of some of the comments I made to my hon. friends immediately before the adjournment of this House last July, let me acknowledge that a funny thing happened to me in the course of my retirement from public life and I find myself, through a process which I cannot easily explain, diverted to the responsibilities of minister of finance. In taking over what I recognize is a heavy responsibility from my very able predecessor, the hon. member for Ottawa-Carleton (Mr. Turner)—

Some Hon. Members: Hear, hear!

• (1550)

Mr. Macdonald (Rosedale): —who faced with distinction a series of severe challenges in economic decision-making both at home and abroad, I have been bolstered by the expression of good wishes that I have received from all sides of this House and from across the country. I must confess that I would like to have had a little more time in which to learn the ropes. As it is, I have been undergoing an accelerated course of on-the-job training over the past several days during which other members of government and I have been considering, on an urgent basis, how best to deal with the developing economic problems confronting our country.

As underlined by the Prime Minister (Mr. Trudeau) in speaking to the nation on television last night, and by the white paper which I have tabled in the House on behalf of the government, the powerful and deeply entrenched inflationary forces racking our economy now imperil our prospects for the future. We have reached the point where there is a very real danger that if inflation is not halted and reversed, it will grow to ever larger proportions, sapping our economic strength and undermining our prospects for resurgent growth of output, employment and the real income of Canadians.

In the government's judgment, there is now a critical need for the establishment of a concerted program of national action involving all governments and all Canadians to break the vicious spiral of cost and prices that endangers the stability of our economy and, indeed, of our whole society. What is equally important is that the strong public support so crucial to the success of such a national program also now exists for the first time in Canada.

Before outlining the broad approach being developed by the government for dealing immediately and over the longer term with the problems confronting us, I would like to try to put the origin and nature of these problems in some perspective. Over the course of the past three years, Canada, as a major trading nation and a major participant in international capital markets, has been heavily exposed to the enormous shocks that have reverberated throughout the world. We were buffeted first by immense inflationary pressures generated by soaring international prices for food, oil and industrial raw materials. As the world moved from runaway boom to the deepest and most prolonged recession of the post-war period, demand for many of our major exports plummeted, output was sharply cut back and unemployment sharply increased.

There is, of course, no possible way in which an economy such as ours could avoid being seriously affected by these adverse developments abroad. Throughout this period, however, government policy has had the consistent aim of doing everything that was practically possible to cushion the Canadian economy from the worst effects of these global shock waves. We formulated a number of measures aimed at doing what we could in Canada to get at the root of inflationary problems by increasing supply and by encouraging expansion of our productive capacity. At the same time, we brought forward a wide range of policies aimed at moderating the impact of inflation on the Canadian people through such means as substantial personal and commodity tax reductions, indexation of the personal income tax system and of family allowances, old age pensions and the Canada Pension Plan, and a wide range of subsidies to hold down the prices of certain basic foodstuffs and of petroleum. These measures served both to ease the burden of inflation on Canadians individually and to sustain the economy as a whole by preventing any serious erosion of real consumer income and expenditures.

We were among the first to take stimulative fiscal action to counter the adverse impact on our domestic economy of the impending recession that we foresaw developing abroad, although we in common with others underestimated the length and depth of that recession. Nevertheless, the expansionary fiscal policies introduced by the government, together with major programs that automatically come into effect to help stabilize the economy, such as the greatly expanded unemployment insurance system put in place a few years ago, have also played an important part in shielding Canadians from the worst effects of lagging growth and in sustaining the economy in the face of severe recession abroad.

All of these federal programs to cushion the impact of both inflation and recession, many of which have been complemented and reinforced by the provinces, have inevitably put heavy financial strains on both federal and provincial treasuries. But it has been the judgment of government generally that these measures were essential in both human and economic terms. They were essential to moderate the burden of sharply increasing prices and lack of jobs on individual Canadians, and essential to sustain the economy in order to prevent the build-up of massive unemployment because of the rapid growth of our labour force.

On the surface, our current economic position might appear to some Canadians as being reasonably favourable.

Our economy has suffered a far less prolonged and severe recession than many other major industrial nations. Judged by such measures as the consumer price index or the price indexes of the goods we export and import, our rate of inflation would not appear to be out of line with the average for the industrial countries. The very large increase that has taken place in our current account deficit with other nations over the past several months can also be attributed in large measure to the fact that our economy has remained relatively strong, with the result that the pace of imports has considerably outstripped that of our exports.

Such considerations may be comforting, but they mask the reality of our situation. The hard fact is that the Canadian economy today is being subjected to underlying, domestically-generated inflationary forces that are far more severe than those being experienced by most of our major trading partners.

In no small measure, the deep-seated problem now plaguing us is a product of our very success in maintaining economic activity at a considerably higher level than that in most other industrial nations. Had we suffered as severe and prolonged an economic contraction as countries such as the United States, Germany and Japan, it is virtually certain that we would also have experienced substantially less build-up of cost pressures. But because we as a nation escaped the constraints forcefully imposed on other countries by severe recession and were not prepared to join together in exercising some agreed measure of self-restraint, our underlying production costs have increased much more rapidly than those in countries such as the United States and Germany and still show no sign of decelerating significantly, as they do in Japan.

The real danger to our economy lies ahead. As countries like the United States, Germany and Japan pull out of their present deep recession, they can expect to enjoy very much higher productivity gains than Canada. The effect would be to widen substantially the differential between our unit costs and those of our major competitors.

[*Translation*]

Mr. Speaker, it is sometimes stressed that the threat to the competitive position of Canadian goods on domestic and foreign markets embodied in such measures can be offset by the depreciation of the Canadian dollar. Such a course brings but temporary relief. Dollar depreciation would simply increase the cost of imported goods and services, therefore intensifying inflationary pressures.

Dollar depreciation would bring but very limited and temporary relief to the more vulnerable areas of the Canadian economy, including our manufacturing industry whose competitive position may be more seriously affected by the so-called cost-push. But the basic reason is that continuous cost and price increases, coupled with constant erosion of our currency, offer no practical basis for a healthy and dynamic future economy. Such a course would intensify savings erosion, engulf money markets and hinder both the yield on new corporate investments and housing starts. These are the prime factors pointing to the necessity of controlling inflation in Canada.

• (1600)

[*English*]

During these past years of economic upheaval, much time and effort has been fruitlessly spent in an effort to point the finger at one group or another as the prime source of all our troubles, with business, labour and governments all being singled out, at one time or another, as leading candidates for the villain's role. I think it would be truer to say that all of us have been caught up by the turbulent new forces which have gripped our economy, adjusting and responding as best we knew how to meet our respective needs and responsibilities. In the process, however, we have collectively tried to take out of the economy more than it has provided. In doing so we have created serious problems for the future. Notwithstanding some of the rhetoric, I think the vast majority of Canadians are convinced that the time has come when we must all pull back.

As the white paper makes clear, Mr. Speaker, the program formulated by the government for attacking the major problems facing the economy encompasses four different elements. These involve the maintenance of a balance of fiscal and monetary policies that will encourage economic recovery and at the same time provide for gradual moderation of inflation; limitations on the growth of government expenditures and the size of the public service; structural policies aimed at ensuring the necessary supplies of energy, food and housing, increasing the efficiency and competitiveness of the economy and bringing about an improvement in labour-management relations; and, finally, adoption of a prices and incomes policy.

Let me deal first with the latter program. I will have an opportunity, when implementing legislation is introduced for debate on second reading, to go more thoroughly into the details, so today I will confine myself to a brief outline. In the white paper, the government has proposed an initial set of broad guidelines to provide a measure of what it considers to be reasonable and responsible behaviour in the determination of prices, profits, rents, wages, salaries, dividends, fees, commissions and similar types of income. The government strongly urges that all Canadians adhere to the guidelines, which become effective today, both in the national interest and ultimately in their own interest.

Unless we can work together with a firm sense of national purpose, we shall all be the worse off. The success of this policy—or of any other form of incomes policy—depends vitally on the readiness of the great majority of the people to comply with it voluntarily. To ensure that the public interest prevails, however, the program will be reinforced by federal administrative machinery established to monitor price and income developments throughout the economy. This proposed new administrative arm, backed as an ultimate resort by the firm sanctions of the law, will, in particular, oversee compliance with the guidelines by the larger economic interests which play such a dominant role in the establishment of cost-price patterns across Canada.

[*Translation*]

Mr. Speaker, provincial governments whose contribution will be essential to the success of the program are request-

ed to cooperate with the federal government by following the guidelines and ensuring that they are complied with by various provincial firms, organizations and communities. Besides doing everything they can to foster widespread support for that initiative among the general public, provinces are specifically requested to have rent increases and professional fees comply with those guidelines.

As I mentioned earlier, the legislation implementing the program as proposed by the government will provide the means of forcing top economic groups of Canada to comply with the guidelines. It will relate to firms or groups of related firms with over 500 employees and all construction companies with more than 20 employees as well as all those employed by those companies. Employees of groups of firms who will jointly negotiate agreements on an industrial scale will come within the provisions of that legislation as well as the firms which employ them. Professional individuals or firms will come under the provisions of the legislation. So will the federal government and every Crown corporation or other organization as well as their employees. Provincial governments, if they are willing to abide by those guidelines and have their organizations and municipalities comply with them will be free to do so or set up their own procedures. The legislation might also be applied to groups of seemingly vital importance for Canada through orders in council.

[*English*]

Mr. Speaker, the statutory provision will apply to somewhat more than 1,500 firms, roughly 5 per cent of the total number of firms in Canada. Approximately 2,300,000 employees of private sector firms will be covered, around two-thirds of the total number of employed persons in the private industrial sector of the economy. Approximately another 2,000,000 employees of all federal, provincial and municipal governments and agencies, hospitals and schools will also be covered if all public bodies in the provinces also participate, which would bring the total number of employees subject to the statutory guidelines to 4,300,000.

The agency primarily responsible for supervising the guidelines program will be the anti-inflation board, which will be appointed initially by order-in-council under the Inquiries Act prior to its establishment under the authority of the legislation. It will be responsible for providing such clarification of the guidelines as may be necessary, monitoring their observance and pinpointing actual or proposed increases in prices or incomes which appear to exceed those guidelines.

It is also being proposed to the provinces that a special public sector panel be established under the anti-inflation board to consider questions relating to prices and incomes involving governments and their agencies. We are suggesting that some members of this panel be nominated by provincial governments. One of the functions of the board will be to carry out discussions with all parties involved in an effort to bring about compliance with the guidelines. If the issue cannot be resolved satisfactorily, the board may refer it to the enforcement authority designated as the administrator and appointed by order-in-council, who may take appropriate action under the law to bring about compliance. Decisions of the administrator may be appealed within 60 days to the anti-inflation appeal tribunal which will also be established under the legislation. Decisions of the administrator may also be changed by direction of the governor in council. Decisions of the tribunal may, in turn, be appealed to the Federal Court of Appeal.

As a general principle, the guidelines provide that increases in prices undertaken by companies should be no more than the net increase in their costs. The way in which this principle applies, however, will depend on the nature and size of the enterprise and the kind of business in which it is engaged. Firms which are able to allocate costs to individual products are expected to increase their prices by no more than the actual increase in their costs for such products and to decrease prices if their costs are reduced. Firms which are unable to allocate costs to individual products are asked to establish price levels which would yield a pre-tax profit margin no higher than 95 per cent of its average profit margin over the last five fiscal years.

Different guidelines will apply to the distribution sector, which follows different pricing practices. As a general rule, retail and wholesale firms are expected not to increase customary mark-ups on various kinds of merchandise.

Banks and other financial institutions will be expected to follow the general rule, increasing service charges or interest rates only sufficiently to cover increases in their operating costs and other expenses, or increases in the interest rates which they pay for funds on deposit or borrowed.

As the House will appreciate, a difficult problem arises in the case of companies which sell a significant proportion of their output in the export market. As a general rule, such companies will be expected to sell abroad at the prevailing international market price, to sell in the domestic market at a price that is consistent with the guidelines, and to ensure that the Canadian market is fully supplied at that domestic price. Following discussions with those concerned, the government plans to impose a special levy in cases where the over-all profit margins of such companies exceed guideline limits. Prices received by farmers and fishermen on their products will be exempt from the guidelines. But we will be holding discussions with the provincial governments about the operations of agricultural marketing boards to ensure that their operations are consistent with the guidelines.

• (1610)

Turning to the question of incomes, the guidelines proposed will be governed by four main elements. The first is a basic protection factor which initially provides for income increases of 8 per cent in the first year of new contracts, 6 per cent in the second and 4 per cent in the third. The second factor provides for a further increase of 2 percentage points to take account of the long-term growth of productivity. For the average worker, therefore, the guidelines provide an increase in remuneration of 10 per cent. For employees who have fallen behind the increase in consumer prices over the past two or three years, the guidelines make provision for a catch-up increase of up to

2 per cent per year, bringing the maximum permissible increase to 12 per cent in the first year.

In the case of employees whose income over the past few years has risen by more than consumer prices, the permissible increase this year would be reduced by up to 2 percentage points, with the result that the maximum permissible gain would be no more than 8 per cent in the first year. In the event the actual increase in consumer prices exceeds the basic protection factor in one period, the permissible increases in a succeeding period would be raised so as to make it possible for the income of employees to keep pace with the rise in the cost of living.

[*Translation*]

Mr. Speaker, increases already granted are not affected by these guidelines. Also excluded will be agreements executed before the start of 1974 that have expired and are now being renegotiated.

The fourth point in the guidelines is the provision about minimum and maximum increases. At the lower end of the income ladder workers may get income increases up to $600 irrespective of the general guidelines. As to the upper income groups the ceiling for the average maximum increase is set at $2,400.

As I said earlier those guidelines would apply to those providing specialized services, and provincial governments are urged to use all their power to ensure the observation of those guidelines.

In that program the government intends to undertake intensive talks with the provinces as well as business, labour and other sectors. The guidelines set out in that policy statement were intended as "first" steps; we wanted thus to show that we are prepared to change certain things either following questions raised in Parliament or during the talks we are planning to have with all those concerned. We are entering a brand new area with which none of us are familiar; there will surely be difficulties and thorny issues. So it is important to maintain consultation and coordinate our efforts to solve the problems and difficulties that will come up.

[*English*]

The details involving the guidelines will be spelled out in regulations to be drawn up under the implementing legislation being submitted to parliament. In general terms, the guidelines are effective as of today, but the government recognizes that some uncertainty is bound to arise about their applications in a host of special circumstances. We will try to provide the necessary clarification as soon as possible. In the interval, particular care should be taken, especially by those subject to enforcement provisions, to ensure that any increases in prices or incomes are clearly within the intent of the guidelines. In this connection, I am hereby giving formal notice of intent that the guidelines to be established by regulation under the anti-inflation act, when adopted by parliament, are applicable as of today.

No one should be under any illusion, Mr. Speaker, that the prices and incomes policy we have proposed will bring about any substantial reduction quickly in the inflation that is so deeply embedded in our system. We have every reason to hope, however, that barring any new shocks from abroad it will serve to halt and gradually reverse the present spiral of costs and prices.

I should now like to deal with some of the broader questions that undoubtedly will be raised in connection with the prices and incomes program for which we are asking support from both parliament and the nation. It has been contended in some quarters, both inside and outside the House, that the government should have taken action long before now to establish some form of prices and incomes policy. There were others, of course, who argued equally as strongly against such a course, some of whom still continue to do so. In our view, the proposal for imposition of comprehensive, mandatory price and income controls that some urged on us 2½ years ago was very much the wrong policy at the wrong time. Such controls could not possibly have been effective in holding back the tidal wave of inflation sweeping over this country from abroad.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I do not ask hon. members to believe me, but I am sure they will listen to the hon. member for Don Valley (Mr. Gillies) in that particular regard.

An hon. Member: How about John Turner?

Mr. Macdonald (Rosedale): Such controls would also have been ineffective because in our judgment the strong public support essential to their success did not at that time exist. Indeed, the experience a few years ago in the United Kingdom, when determined opposition to controls brought the British economy to its knees, harshly demonstrated that controls can work very much against the interests of the economy if they are not firmly backed by the great majority of the people.

About a year ago it became apparent that the nature of the inflationary problem had begun to change, with the strongest inflationary pressures increasingly being generated at home rather than from abroad. The changing nature of the problem called for a changed response. Members will recall that the government devoted a great deal of time and effort over a period of several months in trying to reach agreement among various groups in our economy on a fair and equitable means of restraining increases in prices and incomes.

All groups recognized the severity of the problem posed by inflation, and we made considerable progress in developing a generally acceptable set of guidelines. Indeed, hon. members will recognize in the guidelines in the white paper the documents tabled by my predecessor in this House on May 8. In the end, however, we were unable to reach an understanding because of persistent doubt about whether the guidelines, if adopted, would in fact be observed.

Following the conclusion of our earlier efforts to secure an understanding on prices and incomes restraint, we were reluctant to contemplate some form of direct intervention by the government because there still remained some reason to hope that the spiral of costs and prices would

begin to abate, and because of our judgment that the necessary public support for such intervention did not exist. With each passing month it has become increasingly apparent that inflationary pressures have been intensifying rather than receding. It has become clear beyond any reasonable doubt, both to the government and to the great majority of Canadians, that it has now become absolutely essential to take decisive action to bring inflation under control.

The second major question that is bound to be debated is our intention of confining enforcement of the guidelines to the large economic groups within the economy, rather than establishing a comprehensive mandatory control system. We chose to follow this course because we wished to intervene as little as possible in the operations of the economy and in the lives of Canadians. We have sought to frame a selective system subject to enforcement that is flexible and reasonably manageable, one that will have the least adverse effect possible in distorting and disrupting the regular workings of our economy.

• (1620)

At the same time, we believe that the system we have proposed will be effective in achieving its purpose by ensuring the exercise of restraint by those groups which possess exceptional power to impose excessive price and income increases on other groups in the economy.

Now, Mr. Speaker, I would like to touch briefly on the other elements that form part of the framework of policy required to strengthen the foundation of our economy. It is, of course, of critical importance that our fiscal and monetary policies be properly geared to maintain the economy on an even keel. In our judgment, the set of fiscal policies established in the June budget and the prevailing stance of monetary policy provide a reasonable balance in current economic circumstances. As we have learned from recent experience, however, economic circumstances can change swiftly and drastically. We are, therefore, very conscious of the need to stand ready to make changes in fiscal and monetary policies as they are required to respond to changing conditions.

During the past few years there has been a substantial increase in government expenditures, particularly at the federal level. As I suggested earlier, a very large part of this increase has been the consequence of measures adopted by governments to cushion the impact of both the sharply increased cost of living and of higher unemployment on Canadians, particularly those most adversely affected, and to offset the adverse effect on the economy as a whole of inflation and recession.

If we are to bring the underlying problem of inflation under control, however, it is now essential to do everything reasonably possible to restrain the further growth of government spending. In the budget last June, the government outlined substantial reductions that were being made in controllable expenditures in the current fiscal year to provide an offset for increases in outlays that could not be avoided either because of contractual or moral commitments or to meet requirements essential to the well-being of the economy and of the Canadian people.

The substantial increase in government expenditures in recent years has unavoidably been accompanied by a substantial increase in the size of the public service. The June budget cut the projected growth for the current fiscal year from 4.1 per cent to 3.1 per cent. In the next fiscal year the increase in the federal public service will be restricted to 1.5 per cent. Essential increases in some areas will be largely offset by reductions in others, with the result that the majority of government departments will be permitted fewer man-years in 1976-77 than was the case in 1974-75. We believe that it should be the objective of all governments to limit the growth of public spending to the growth of gross national production. That will be our basic aim in the preparation of spending plans for the next fiscal year and the years beyond that.

The final element of the program relates to structural adjustments that need to be made in the economy to improve its capacity to provide certain essential supplies that we will require in future and to make our economic system more innovative, dynamic and efficient by reducing existing rigidities and intensifying competition.

The need to bring about a substantial reduction in the overall rate of inflation is made all the more pressing by the fact that certain relative price increases are unavoidable over time, increases that we can absorb without undue hardship if we can restore strong real growth of our national wealth. Phased increases in the price of energy, for example, are essential to meet the soaring cost of finding, developing and marketing the new energy sources that will be required in future to meet our needs for heat, light and power. Such increases are equally essential over time to promote more efficient use of our energy resources. In prevailing circumstances of much lower petroleum prices in Canada than abroad, it becomes all the more important to intensify other efforts to conserve energy consumption.

The substantially increased cost of housing must also be met if construction of the new residential units required for our growing population is to be undertaken. As the white paper stated, the federal government will shortly announce proposals for the provision of special new incentives to encourage increased housing construction. We will also be discussing with the provinces means of increasing the supply of serviced land for housing in order to put a damper on soaring land costs.

Higher prices for certain foods may also be unavoidable if farmers are to receive a return that is sufficient to cover their sharply rising costs and yield a fair and reasonable income to compensate for all their labours and investment. At the same time, however, we must also ensure that our price and marketing system are not structured to maintain inefficient agricultural production and distribution.

The government plans to bring forward at an early date the second phase of its policy to strengthen competitiveness of our economy, which is the surest guarantee of its efficient and effective operation. Together with provincial governments and other interested parties, we propose to scrutinize a wide variety of government policies and programs in an effort to find ways of reducing rigidities and costs that they may impose unnecessarily on various sectors of the economy. The recently established tripartite

Canada Labour Relations Council hopefully can make an important contribution to the improvement of industrial relations in this country, which is also required to bolster the effectiveness and efficiency of our economic system.

In concluding, Mr. Speaker, I would like to underline one fundamental point, a point that is also emphasized in the white paper. Whatever differences of interest may exist between the various sectors that make up our economy are far outweighed by the common interest we all share in seeing that strong and stable growth of output, employment and the standard of living of Canadians is restored. It is, therefore, very much in the interest of every group to work together to achieve these national objectives.

[*Translation*]

Hon. Robert L. Stanfield (Leader of the Opposition): First, Mr. Speaker, with your permission, I would like to direct my comments to the new Minister of State (Mr. Marchand), previously Minister of Transport. I am sorry that he is not here today. Ten years ago, he decided to make the move to federal politics to reinforce national unity within confederation. With all his strength, he vigorously denounced separatism in Quebec. He also worked at making the two founding peoples of this country equal partners who now share fully in our national life. He accepted his heavy responsibilities with conviction, determination and courage. This man can be proud of his task and his work which was often thankless. The preoccupations and responsibilities of political life throughout the years have marked him and have affected his health. This led him to accept to play a less prominent role in the future. I had occasion to criticize the legislation that he defended and I have often doubted his administrative capacities.

Today, I wish to pay him a particular and personnal homage and to tell him that I respect him very profoundly and that I admire him sincerely. His fights throughout the years to defend certain fundamental principles put him in a very special class. I would like him to know that I have always shared the profound aspirations which have guided his political action. I hope that he will long stay with us and I wish him a very speedy recovery.

• (1630)

[*English*]

Mr. Speaker, our new Minister of Finance (Mr. Macdonald) has made quite a spectacular entrance into this job. I congratulate him on this appointment and I congratulate the new ministers, the switched ministers, the new parliamentary secretaries and the quiet-spoken new whip on the other side.

Some hon. Members: Hear, hear!

Mr. Stanfield: I sincerely wish the new Minister of Finance well. I know he will appreciate that the doubts and concerns that I express today are something more than partisan in intent. I must say about him that he seems to be a quick learner. He has learned quickly from his predecessor, who has shown on more than one occasion that there are things worth lifting from time to time from this side of the House.

[Mr. Macdonald (Rosedale).]

Some hon. Members: Hear, hear!

Mr. Stanfield: I will miss some of the stellar performances of the former minister of finance. As he is probably aware, I have been inviting him to schedule a further performance at the earliest opportunity. I do not know whether we are going to hear from him in the course of the day, but I understand there are already some who thought that perhaps the minister had resigned because he felt the government was not tough enough and who have, since last evening, begun to wonder whether the former minister of finance resigned because he thought the government has gone too far and is too tough, particularly in view of some of the scathing things which the former minister of finance said from time to time about compulsory price and wage controls. I look to the minister to clarify his position at the very earliest opportunity.

Mr. Broadbent: You can wait.

Mr. Stanfield: There are some unpleasant things which have to be said today about the record of this government and the process by which it has come to the point of presenting this white paper today. I want to assure the House and the people in Canada that today and in the days ahead as this new program unfolds, my observations and criticisms are, and will be, directed toward making the government work to help make our society work. Some might think that this is an occasion of pretty substantial vindication of my party and myself.

Some hon. Members: Hear, hear!

Mr. Stanfield: Personally, I do not take very much pleasure in that. I have been vindicated so many times before that I do not take much pleasure from it now, not because I do not enjoy being vindicated, not because I dislike it, but because I believe that the reluctant and belated confirmation of a diagnosis does not necessarily ensure that the real cure is on the way. I would feel very much better if the medical staff on the case had a far better record.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am relieved by the fact that the government is finally doing something, but I remain concerned that it has taken so long to take any kind of action, and I am, quite frankly, very dubious about the government's fundamental sincerity. The Prime Minister (Mr. Trudeau), on television and here in the House, has done very little so far to purge me of my doubts. I say very bluntly to you, sir—and I have to say this—that I believe very little of what this government says.

Some hon. Members: Hear, hear!

Mr. Stanfield: I say that this government's biggest challenge in getting any program off the ground is to get Canadians to believe what it says. If the government is going into this endeavour under the impression that its credibility is high, and that by and large things will sort of come together, if it shows us the kind of cavalier behaviour which it has adopted so many times in the past, this country will be headed for literally terrible consequences, because the official opposition in this House has no monopoly on doubt and suspicion with regard to this

government or with regard to this government's program. Those who have been suffering the most will question why the government has waited until those who are best able to look after themselves have done so by and large. Those who have lost ground, particularly those who have lost jobs, will wonder how far off renewed opportunities are for them, and whether catching up will ever be a realistic prospect for them.

Trust and confidence have been injured in our society. There are difficult times ahead for our economy. They will not be quickly or easily healed. They will not be healed at all if the government appears to be less than frank or less than fair-minded as it proceeds with this endeavour. No amount of bureaucracy and no exercise of power will be any substitute for frankness, openness and exemplary conduct on the part of this government. If that is not forthcoming, then the whole exercise will do nothing more than compound the injury that has already been done—and that would indeed be tragic.

The government comes to the House today and seeks support for its general outline of this program. There is no vote involved, just the assessment and comments which will be put forward in the course of today's debate. So far as the white paper is concerned, it is a pretty superficial treatment of what is a very complex matter. But I will not be critical about that today; I simply say that the white paper obviously raises far more questions than it answers—and you can be sure that I am familiar with the questions involved because I have probably been asked more questions on this than anybody else in the country: I am perhaps still the ranking expert in terms of questions about this matter.

Some hon. Members: Hear, hear!

Mr. Stanfield: There is legislation to come in the next days and weeks. This House will be dealing in greater detail with the substance of this program, perhaps piece by piece or perhaps all together: we do not know today. Today I will not attempt to go into detail. Rather, I want briefly to deal with the recent history in the present context of this move by the government. Earlier I said that I could believe very little of what this government says, and that, sir, is just another example of my gift for understatement.

I am prepared to concede that the government may not face quite the degree of difficulty in getting some of what it says believed in the country at large as it will have in getting me to believe it, because the country at large has not sat here in the House in my seat for eight years watching "Cynicism Incorporated." The country at large was not here following the 1972 election when the former minister of finance surfaced after an election, implementing measures which he had said during the campaign would bankrupt the country. There was a modest increase in old age pensions, some needed tax cuts and, of course, tax indexing. It was quite a turn-around show following the election of 1972. It was quite a show indeed, if one likes that sort of thing. It was slick, smooth and totally devoid of principle.

• (1640)

Some hon. Members: Hear, hear!

Mr. Stanfield: In some judgments, that sort of thing is nothing more than clever politics. In my book, judgments of that nature are just as shallow as the acts themselves. I do not want to make myself out to be qualified to moralize, but I do believe that a great part of the problem of distrust which runs through our society today has been created by overdoses of that kind of politics and those kinds of judgments.

When we get right down to it, we are really dealing with a moral issue in what is before us. I am sure the Prime Minister realizes this, but I am not sure that he and his government recognize that they have to come to grips with it in their own behaviour. I know that the economic and social objectives will not be met unless there is some confidence abroad that the Prime Minister and the government are coming to grips with this issue and the fact that they are not an exception to the moral principles with which we are dealing.

Some hon. Members: Hear, hear!

Mr. Stanfield: This is an unspoken component of leadership which will have a great bearing on the success or failure of the government's initiative of intervention which is outlined in this white paper, and it cannot be a "sometime" thing, if there is to be any change of bringing this country together in a shared, sincere attempt to improve conditions in our society.

Here, again, I say that this government in its recent record does not inspire my confidence. The way the announcement of this program was handled was disturbingly reminiscent to me of the kind of thing we saw when the crunch was on in the petroleum crisis. When that finally hit home to the Prime Minister and his colleagues, despite years of forewarning, they put on a great act at having been taken by surprise. Then there was a flurry of activity and exhortations and the Prime Minister went on television and solemnly said a few things. It was a very impressive drama.

Today, we are evidently right back where we started, again living in a fool's paradise as far as energy policy and practices are concerned. The minister touched on energy policy this afternoon. Where is the vaunted conservation program which was to emerge from that crisis? Where are the benefit-sharing arrangements with the Atlantic provinces and Quebec? Where is the adequate research program on alternate sources of energy? Today, those Canadians who can afford to are wasting just as much energy as ever. The government has not followed through on its own initiative and what was alleged to be leadership at that time.

After his television appearance on that occasion, the Prime Minister virtually dropped from public view. Are we going to see the same thing happen this time? The then minister of energy, mines and resources—who is on the hot seat again today—was front and centre on television, promoting the distribution of a booklet which did not even exist at that time, a booklet supposedly being produced by a conservation office which took ages to staff.

Rising prices have constituted the only actual incentive to energy conservation we have seen in this country. Con-

servation is being practised by those who cannot afford not to practise it. The white paper essentially acknowledges that. This is certainly not providing leadership by example. On the contrary, as far as this government is concerned, if one wants to see an example of perverse construction for the Canadian climate one does not have to look any farther than two blocks west, at the new Bank of Canada building.

Some hon. Members: Hear, hear!

Mr. Stanfield: The limousines roll on; ministerial car pools have faded away like mentions of the just society. Conservation is demonstrably an endangered species within the confines of the operations of this government. Wasteful trappings for show have been the rule rather than the exception. If the Prime Minister and his colleagues hope to have any real chance of being taken seriously this time around with this general restraint program, they had better quickly show Canadians that they can mend their own ways as far as energy policy is concerned.

I say to the Prime Minister and to the Minister of Finance, "Don't try to snow us. Show us."

Some hon. Members: Hear, hear!

Mr. Stanfield: I understand that the Prime Minister will be speaking in this debate. I do not know whether I will hear him or not, because I made a commitment to accept a dinner engagement with Dr. Kissinger—another great man—but I will read what the Prime Minister has to say if I should, regretfully, miss hearing him in this debate. I hope he will take the opportunity to deal with some of the fears, doubts and suspicions which his record, more than anything else, has raised.

The energy area is not the only recent example of the Prime Minister's starting something off with a good deal of flair, and then appearing to have tired of it and abandoning the whole thing. This was true, for example, in the consensus exercise to which the Minister of Finance referred today. Early in that game the Prime Minister gave assurances to the House that he accepted the top level responsibility for that program. He certainly did nothing to alter the widespread presumptions that he would remain very personally involved in it, using the weight of his office and the strength of his talents to bring it all off.

Whether this was what the Prime Minister intended the perception to be, this is in fact what the perception was and the Prime Minister must surely have been aware of that. It subsequently appeared that he withdrew from participation in that program. This was when I began to be convinced that the whole consensus operation was a sham. The Prime Minister may recall that my colleagues and I started out prepared to support that effort as we understood it in its broad terms. In that case we never got beyond broad terms, and the Prime Minister never appeared to go beyond the very short term as far as involvement was concerned, so we ended up with nothing that deserved support. As it turned out, we were not alone in that view when the last act hit the stage.

Now we are looking at a program which involves much bigger stakes and the same kind of presumptions have already been made about the involvement of the Prime Minister as were made when the so-called consensus exercise began. If those presumptions are in error, the Prime Minister might as well tell us so today. If the presumptions are well founded, he should let us know as much as he can about the planned extent of his own involvement in this general restraint program in the coming months. Let there be no nonsense or kidding ourselves with regard to this matter. The Prime Minister has conditioned the country to a personal style of administration. I mean no slight to the Minister of Finance or any other minister in the government when I say that there is no question about who runs the government: it is the Prime Minister. The kind of effort which he put into the 1974 election campaign is the kind of effort he will have to make not only to launch this general restraints program but to sustain it, fortify it and reinforce it in the months ahead. That is absolutely essential. It is, also, absolutely essential that the Prime Minister should quickly get over any indigestion he may suffer in having swallowed himself in the course of announcing this program.

• (1650)

Some hon. Members: Hear, hear!

Mr. Stanfield: There is really no room in this exercise for integrated rationalization, revisions of history, stretches of imagination or preoccupation with trying to grasp straws in self-justification. We heard the new Minister of Finance go through this whole thing again here this afternoon. This is a program of general, large-scale mandatory price and income controls and it is going to be tough enough to live with knowing what it is, without the Prime Minister contorting himself to say that it is not what it is.

Let me say this. We have said for some time that an anti-inflationary program must be comprehensive, that a program of controls, short-term controls, has a certain role to play, but they have to be reinforced with other measures which include appropriate fiscal and monetary policy. The Minister of Finance touched on this briefly today.

I read a sentence in the white paper which I wish I had had more time, in the course of a busy day, to try to figure out. Perhaps if I read it here, the Prime Minister can explain later exactly what it means. The passage says that the federal government shares the view that the trend of total spending by all governments in Canada should not rise more quickly than the trend of the gross national product. What does that mean, Mr. Speaker?

An hon. Member: It is trendy.

Mr. Stanfield: It may be trendy; but if I ever read a weasel sentence, that is it. I think it must have been written by the Department of Justice.

Furthermore, we have insisted that any such program must be equitable and it must be seen to be equitable. That is why I am pleased that the Prime Minister gave the assurance that ministers of the Crown and all the rest of us in this House would be kept within the general guidelines even though technically, because of some statutory arrangement, we might have been able to avoid the guidelines. This is very important.

The only other specific aspect of the program that I wish to refer to today is the duration, because in the course of

considering the bill we will be looking at the equity of the various proposals, some of which are concerning the leader of the New Democratic Party (Mr. Broadbent) and others of which are concerning some of my colleagues. We will have an opportunity, when the bill is before the House, to consider these specifics in detail.

I want to speak briefly today about the duration of the program, because member after member on the other side of the House, and minister after minister—including the Prime Minister—have kept on saying that even if mandatory price and income controls are accepted by the public, they will not get at the root cause of inflation; any benefit that they might achieve is of short-term duration. They have said this so often that they must say it in their sleep. I, personally, advocated short-term controls during 1973 and 1974, particularly during the election campaign, because I believed, in the circumstances which existed, that short-term, general controls on prices and incomes for a period of roughly 18 to 24 months could break the inflationary expectations that existed and could provide a framework which would enable us to fight inflation on a long-term basis, and a framework, also, within which we could continue to expand our economy and fight regional disparities.

I put it forward on this short-term basis. I emphasized at that time, as I have throughout most of my adult life, that I am opposed to long-term, comprehensive controls on prices and incomes because it is very clear this would lead to a different kind of economy than we have; that long-term controls would lead to a high degree of centralization of power and control in the hands of a few officials in Ottawa. That is not the kind of Canada I want to see, and I do not think it is the kind most Canadians want to see. I do not want to be a party to bringing it about. Yet the Prime Minister, the Minister of Finance and all the others who not only a year ago, but since then, ridiculed short-term controls and ridiculed this whole procedure as having, at best, very short-term benefits, are not putting before the House a program that goes beyond short-term controls. One would have to say these are controls of medium term, in terms of durability. It is nonsense for anybody to suggest these are different because they are voluntary. They are not voluntary; they are compulsory.

I hope that if the Prime Minister and the government persist in this "long-term" kind of talk, persist in seeking authority for these long-term controls of at least twice the duration of the sort of thing my party had in mind, they will at least be prepared to make provision for a parliamentary review of the controls and how they are working, providing an opportunity of parliamentary recall, say at the end of 18 months or two years. I just cannot understand how a Prime Minister and ministers who ridiculed the possible benefits of short-term controls, and exaggerated the dangers of those short-term controls, can now come before this House and, to use a very common and perhaps vulgar expression, have the gall to ask this parliament to delegate to a board and the governor in council these extensive powers lasting over a very substantial period of time.

These are not voluntary controls. What is to be gained by the Prime Minister going on television and trying to have this thing both ways; trying to say, "We are acting. We are doing things firmly and, after all, it is only voluntary and we are only interfering with a few people"? That is an insult to the intelligence of Canadians.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is a bad start. This is essentially, in principle and in practice, the kind of program that the government said a year ago, and has been saying many times since then, would not work. The government said that kind of program would not work and had not worked anywhere; that it had been tried elsewhere but would not be accepted by Canadians. Let there be no doubt about it; this is exactly the kind of program the government said would never work anywhere and would not be accepted by Canadians.

• (1700)

Mr. Wagner: That's Liberal morality.

Mr. Stanfield: Anyone who says this is a different kind of program should look at the questions and answers contained in the transcripts of 20 or 30 of my 1974 election news conferences.

I say to the government, do not persist in these silly games. Semantics designed to fit the square peg of infallibility into the round hole of reality will not get anyone anywhere. I say to the government, do not waste everybody's time and do not further try everybody's patience. The government won the election with means they must live with, but they will not win the present battle against Canada's tremendous economic problems with anything less than honesty with the Canadian people.

I will not be around here much longer in my present capacity to rub the government's nose in it, so why not play it straight and give this program a better chance of success than the government has given it by indulging in all this pretence? The government is under the duty to play it straight for a change. Just look at how the government allowed things to drift in the last 15 months since the election while it tried to stall off the inevitable, or at least buy time for a decent interval before swallowing itself. That precious time was unconscionably wasted and cannot be recovered.

Over the course of that time, things got more and more out of hand. A week before the resignation of the former minister of finance, the Bank of Canada announced a substantial increase, from 8.25 per cent to 9 per cent, in the bank rate. The Bank of Canada's actions are, of course, determined in the context of the general economic policies of this country's government. The Bank of Canada does not operate as a thing unto itself. I was dismayed by its action, particularly as a maritimer.

Speaking in the absence of any explanation by anyone in the cabinet, the governor of the Bank of Canada, Mr. Bouey, later addressed the annual meeting of the Canadian Chamber of Commerce. What he said boiled down to three

things: first, deepening inflation in Canada is a very critical problem and it is not being taken seriously enough; second, the Bank of Canada's duty is to safeguard the integrity of the Canadian dollar in a psychological climate where the value and stability of money itself is not trusted; third, the continuing drift must be halted and reversed at virtually any cost in terms of unemployment and hardship. He said we cannot have any realistic hope of achieving sustained economic growth in the long run unless we bring inflation under control. The governor's words and the Bank of Canada's actions constitute a clear condemnation of the inaction of the government for more than one year following the attainment of its mandate for leadership in the 1974 election; and it is not as if no one had warned the government that it had better take humane and sensible action much earlier.

Throughout 1973 and up to and through the 1974 election campaign, we stressed that a priority objective of the program we were proposing was the encouragement of growth and the improvement of employment prospects in the country. As I said earlier in the context of suggesting a program to fight inflation, that could have been accomplished if the government had had the guts and heart to seize its responsibilities in 1974. We said that productivity and jobs could be pursued in a climate of stability if quick and comprehensive action was taken. We said that with conditions as they were, a move to achieve stability and maintain orderly growth was worth the price of a temporary intervention program. But now, Madam Speaker, in the autumn of 1975, we face the worst of both worlds—widespread and prolonged intervention and another massive economic slowdown.

It is said that justice delayed is justice denied. The acceptance of responsibility too long delayed has led to irresponsibility through default. The government diddled and dawdled along and let things get so far out of hand that we are mired where we are today. The Minister of Finance need not try to persuade me that this country's economic conditions require action by this government. I do not know who he thinks he is talking about when he speaks of people who think conditions in this country look pretty good. He must be far up some ivory tower. The less prosperous parts of our country are in for another pounding. Small business will again be hit most severely. The new Minister of Industry, Trade and Commerce (Mr. Jamieson) knows that as well as I do. He knows, as I do, the disastrous effects of harsh monetary policy on his part of the country and mine. The Atlantic provinces have been through all this before, as have other areas of slow growth of this country. They are the first to feel the effects and the last to recover from the damage, damage which offsets federal help through DREE assistance.

If the government wants co-operation in its effort, let it deal frankly and with some humility with this aspect of its economic policy. The word "voluntary" is meaningless in this context. What is voluntary about a small businessman's reaction to sky-high interest rates? He either pays them and stays afloat a little longer, or he does not pay them and goes under right away. Let us not have any more weasel-words from the other side of the House. Let us have a frank admission from the Prime Minister about the government's contribution to our problems. Since 1968, his government has been a major force in both eroding the value of the Canadian dollar and raising the cost of borrowing. The Prime Minister talks about people demanding too much from the economy. Let him take a good look at what his government has demanded from our economy, and let him tell the House why he chose to make campaign promises last year worth between $3 billion and $4 billion. What does he think about that now?

The government's approach to restraint in its June budget was another outright sham—transparently so. Not many were prepared to take it as a serious demonstration of leadership by example. That is the record to date. That is the pattern which the government has shown the country, with the Prime Minister occasionally popping up on television at some dramatic moment. This is the record and this is the pattern. This is what the Prime Minister and his government have to overcome if they are to have any chance at all of making a go of what they have announced.

• (1710)

My party is in the position, today, of extending support to the general intentions of this program as expressed in the white paper before us. Quite simply, common sense and the welfare of the country demand that we do. We do not at this time go beyond that. Any support for the actions of the government in the days ahead will have to be earned, and judgments on that score will be governed by the factors I have outlined.

I am pleased to be able to say, without immodesty, Madam Speaker, that my party has honestly tried to fulfil its own obligation to Canadians. We have dealt frankly and openly with the country and we will continue to do so. Whatever this may have cost us politically would not begin to measure up to the cost to our country if, from this point forward, the government fails to do so.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Possibility of extending rehabilitation program and increasing funds available; the hon. member for Edmonton-Strathcona (Mr. Roche)—Transport—Urban transportation assistance program—Definition of words "commuter system".

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT'S ANTI-INFLATION PROGRAM

The House resumed consideration of the motion of Mr. Macdonald (Rosedale):

That this House do now adjourn.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, before I deal directly with the subject matter for debate this afternoon, I wish to join the colleagues of the Leader of the Opposition (Mr. Stanfield) in expressing my personal admiration for the very exceptional job the leader of the Conservative party did for his party on the question of intellectual, moral and political integrity in the 1974 election campaign.

Some hon. Members: Hear, hear!

Mr. Broadbent: I am sincere when I say that there are times in politics when losers contribute much more to the image of a politician than do winners.

Some hon. Members: Hear, hear!

Mr. Broadbent: Although we had very serious disagreements with the policy of wage and price controls that were argued for at the time of the 1974 election campaign by the leader of the Conservative party, as indeed did many of his supporters, I have been told on good authority—perhaps this is not known—that during the early stages of that campaign some Conservative members had done a survey and found out that the issue was not popular. There was real concern that perhaps they should shift ground and abandon the policy in mid-campaign. Certain political parties in this country, and certain political leaders, would not be above doing precisely that.

Some hon. Members: Oh, oh!

Mr. Broadbent: I am told that the immediate, serious and sober response to that suggestion by the Conservative party's leader was that he would have none of it; that he was committed to the program, he believed in it and would stick with it. That kind of political leadership is something that democratic societies frequently lack. It is something to which his colleagues were paying tribute today, and I join them in that tribute.

Some hon. Members: Hear, hear!

Mr. Broadbent: Turning more directly to the subject at hand, the opposite kind of attitude has been conveyed by the Prime Minister (Mr. Trudeau). In 1974, the Prime Minister went to the people of Canada with a whole series of promises. He did not do that in 1968. At that time he had a sort of playboy image, the politician who liked to smile and dance. That was such a bizarre experience for Canadians that they voted for him in very substantial numbers. In 1972, he campaigned as a philosopher king. He did not want to talk about such mundane matters as housing, the cost of living and unemployment. He was almost defeated. Perhaps he and his government should have been defeated in 1972.

• (1720)

Mr. Trudeau: Why did you support us for a year and a half, then?

Mr. Broadbent: Yes, that is what we did, and it was a good thing.

Some hon. Members: Oh, oh!

Mr. Broadbent: In 1974, he went to the country with a good program, a program which very many people took seriously; the people seriously believed in it. He made categorical promises for the first time. He said we could expect a new urban policy involving financial assistance of various kinds, including funds for rapid transit development. He promised a new transportation policy which would redress the legitimate grievances of western Canadians with regard to freight rates. He undertook to deal with the freight rate structure and give Canada an over-all transportation policy. Nothing whatever has been done about that, either.

Then, again, just before the election he admitted in Vancouver that there was a housing crisis—those were his words—and led us to believe that something would be done about it. But nothing has been done. He told us during the 1974 campaign that he was concerned about the degree of foreign ownership and he made a commitment that 50 per cent of investment in the resource sector from that time on would be Canadian. As we saw when we got part II of the foreign investment review legislation at the end of the summer, that idea also went out of the window. Virtually every policy he had been talking about—urban policy, transportation, housing, foreign ownership—all the great promises of the 1974 campaign have been cynically dismissed.

The Liberals, above all, claim they can give the country economic leadership. This was the basis upon which they challenged the Conservative party. They were critical of the proposal of prices and incomes control put forward by the Leader of the Opposition. It is true that we shared in that criticism. But the main contention of the Prime Minister and his colleagues was that they alone could really manage the Canadian economy. However, what has happened in terms of economic leadership generally?

Bear in mind that we in Canada enjoy many advantages which are not common to all industrial countries. We have important natural resources at our disposal, unlike a number of western industrialized countries. We possess sufficient sources of energy to supply our industrial machine. We are able to call upon a well educated and well trained labour force. In short, we enjoy advantages which would have enabled us to make a real impact in terms of economic recovery in the last year and a half if only we had had a government willing to show economic leadership. But we have not had such a government. In the 18 months since the election, unemployment has risen; it has not gone down. The cost of living has gone up, not down as the Prime Minister promised; it has been increasing at the rate of 11 per cent. Housing starts have consistently declined. Mortgage interest rates have consistently gone up, not down as they should.

In terms of economic growth, the last six quarters in the period since the election have shown negative results, stagnation in every quarter of the six except one, and in that quarter I believe the growth rate was one-quarter of one per cent. That is the measure of economic leadership which members opposite have provided. That is what the management team on the other side—that gifted group, as they like to think of themselves as being—managed to do with the best trained labour force and the best situation when it comes to natural resources that one could imagine.

As to the speech which the new Minister of Finance (Mr. Macdonald) read a short while ago, it might just as easily have been read by his successor. I do not blame the hon. gentleman directly; his speechwriters prepared the text. The point is that when it speaks of the government's economic performance, it still does so in self-congratulatory terms. Instead of coming here and saying, "We have made serious mistakes; various things have gone wrong; certain policies did not turn out to be the right ones, and we therefore intend to change things," the Liberals never admit they do anything wrong. They say, "We are still doing better than anybody else, but for some peculiar reason, despite how well we have done, we are now going to turn through 180 degrees."

Some hon. Members: Oh, oh!

Mr. Broadbent: Turning to the program which has been put forward today, I intend to deal with it in terms of five specific criticisms. I wish to make it clear, though, that our party does not accept the view that the most acute economic problem we have to deal with now is inflation. We agree that inflation is a matter of very serious concern and that it has to be dealt with, but we are very disturbed to see a white paper presented to us today which has been described as merely an attack on inflation rather than as a package intended to deal with both inflation and unemployment.

After all, this is a country with one of the highest levels of persistent unemployment in the industrialized world—over 700,000 of our people are currently out of work—and it should surely be the concern of the government to deal with unemployment as well as inflation. So, while I intend to concentrate my criticism on the anti-inflation program, let me say that we in our party do not in any way agree with the government that the overwhelming attention it is directing to the issue of inflation is the proper position to have taken.

First, I want to deal with the proposal for price control which the government has introduced. There is a claim that the procedure to be followed will, in itself, be sufficient for full control over prices to be realized. In the view of our party, this is simply not the case. I intend to outline the way in which the government proposes to operate, if I understand its intentions correctly, and then go on to suggest reasons why we do not feel its proposals will work.

We are told that firms able to allocate costs to individual products will, in principle, be required to maintain a constant per unit profit level in dollar terms. Firms which are unable to allocate costs to individual products will be assessed on a total profit basis; they will, in principle, be required to hold down their percentage pre-tax net profit margin to a level no greater than 95 per cent of the last five-year average.

For firms engaged in distribution at the retail and wholesale levels, the profit guideline is based on gross profit margins—profit as a percentage of sales. Let us not be misled by the rather technical language which is being used here. In our view, this is not enforceable as a price control mechanism, whatever side benefits it might have. First of all, if these guidelines are to be enforced in any effective way, an army of bureaucrats will be required far in excess of the resources which the government is apparently willing to commit to this exercise. We are not in favour of hiring a lot of bureaucrats, but we say that if you are going to enforce this kind of proposal you must hire many more people than the 500 which is the figure I have heard used in respect of the number the government plans to hire, or otherwise you will not have the people to do the checking.

• (1730)

Secondly, in our view the companies concerned will have virtually unlimited opportunities to use their high-priced accountants and clever corporation lawyers to manipulate their books and pad their costs in ways which will allow them to circumvent the intent of the guidelines. This is a crucial point. In this sense I do not question the honesty of the corporations. I am saying that if you have a law which depends for its enforcement on the determination of certain profit levels and it is to the advantage of a corporation to see profit levels in a different way, you can be sure it will look for every conceivable and legal way of getting around these guidelines by redefining its profits.

We in this party are convinced that the experience of other countries would indicate that not only have corporations been able to get around such mechanisms, there, but we can fully expect them to do so here.

Thirdly, the government makes it clear that retailers and wholesalers will be permitted to raise prices of individual products without hinderances, subject only to the condition that should the board decide some day to make an inquiry into their operations, the particular retailer or wholesaler involved would only have to demonstrate that its total profits were within the guidelines.

Firms are expected to refrain from increasing the price of a product more frequently than once every three months, except where this would impose a hardship on the firm, in addition to which, and I quote from page 17 of the white paper, "Retailers and wholesalers will be exempt from this requirement". They are not going to be required to abide by the general rule, which is a crucial one, in terms of enforcement of price control mechanisms of this kind.

Fourthly, the white paper says that firms will be allowed to exceed the profit guidelines if the excess profit results from "unusual productivity gains resulting from the efforts of the firm, or of favourable cost developments". That is found on page 19 of the white paper.

What does that mean? That refers to any kind of innovative technique for increasing profit-making capacity

which, during the productive stage of an activity, will enable the firm to get whatever profits it can, or attain whatever level of profit the market will bear. If the Minister of Finance (Mr. Macdonald) thinks I am wrong in that statement I would like him to correct me. That certainly is my interpretation of it. As long as this condition is met the profits of a company are unlimited, and if profits are unlimited then we do not have effective price controls through a profit control mechanism because profit control goes right out the window.

For those four reasons, briefly stated, and I am not going to labour them for rhetorical or for any other purposes, we hope the Minister of Finance during the question period, or another minister when making a speech during the debate, will deal with them. We simply believe that the guidelines will be totally ineffective whatever the government's good intentions might be. I am prepared to admit that we must take the legislation at its face value and assume the government is serious about it. Whatever the government's intention, there is not going to be effective price control through the profit control mechanism.

I want to deal with the efficacy of the board set up to enforce the provisions, particularly in view of the announcement today that the Hon. Jean-Luc Pepin and Beryl Plumptre have been appointed to key positions.

Let me say at the outset that Jean-Luc Pepin, when he was a member of this House, was a man who in personal terms I enjoyed and admired greatly. I want to add immediately that in terms of his own policy and political orientation he is precisely the kind of man who should not be given the job he has been handed. What has he done since he left the government? He is now a senior officer in the Power Corporation. He has been very much involved in developing a trading business for Canada. This is laudable, and I am not questioning his business objective or his intention there. There is nothing wrong with that if that is the kind of goal you want to pursue. What is wrong is to put him in charge of this kind of an agency which is intended to protect the consumer, because he is a man whose whole orientation has been on the other side of the ledger. This is analagous, no more and no less, to putting—

Mr. Trudeau: A fox with—

Mr. Broadbent: I was going to use a different analogy, but the Prime Minister has given an entirely appropriate one. It is analogous to putting a fox in with the chickens. Perhaps now that he recognizes that point he will reconsider this appointment.

As for Beryl Plumptre—well, dear old Beryl, ever since she has headed the Prices Review Board, has been struggling vigorously and consistently with infinite determination to find a case of excess profits. For some strange reason she has never succeeded. With all the investigations she has conducted on behalf of the Food Prices Review Board she has never found one case of excess profits. So Canadians can really rest assured knowing that Jean-Luc Pepin and Beryl Plumptre are in charge! They can go to sleep at night with total confidence that when they get up in the morning prices will be just and corporations will be sitting back taking lower profits, and the ship of state is in good hands. Well, I do not think so, Madam Speaker. I do not think the appointments were appropriate. I think they are such that they will encourage Canadians to view with little optimism the efficacy of a board being set up to administer and apply regulations which, as I have already said, on their own are shaky indeed.

Therefore I conclude on behalf of my party that the prices control mechanism in this set of proposals is a sham or a hoax, and whatever its purpose or its intent the result will not be price control.

The one element of the package we do think will be effective is the salary and wage control proposal. It may not surprise some people that this accounts for the fact that every businessman I saw interviewed about the proposals seemed to think they were good. This might have something to do with the fact that they now know their employees' wages will be effectively controlled. These controls will affect the hourly-rated employee and the person on a weekly salary basis who has none of the special opportunities of other people, and I will come to this in a moment, to get around the controls. They will have their wages restricted. There is no question but that on the one hand the prices control mechanism will be ineffective and on the other hand the wage and salary control mechanism will be totally effective.

I suspect this is what the Minister of Finance had in mind when he said in a loose moment to members of the press that when he saw the proposals he found them frightening. I assume he was speaking on behalf of the average worker in Canada at that time. These proposals will not be frightening, and I say this quite seriously, to most professional people.

Whatever the government tries to do in terms of law, and I am sure it will try to plug the loopholes, it has set the guidelines to apply to the fees of the professional people and not to their incomes, and this is on the theory that it does not want to discourage the initiative to work. So, if one worked longer hours one would receive more pay. I agree with that. It should apply to the fees and not to the income.

• (1740)

The point I want to make is that no matter how you come down with emphasis, it will not be operational for the upper income professional people because they can get around it. This would involve most lawyers. There are a few honest lawyers in this country. My colleague wants me to name them. I shall not do that. As we know, most lawyers work on sort of a percentage basis for business clients. They vary their fee according to the particular amount of money involved in a project. How will the incomes of those lawyers be controlled? They will not be in the same position as the auto worker, the bus driver, or the secretary. The lawyer will get around it. If an architect should have a particularly complex project then he makes a judgment. Without questioning his honesty I suggest he says it is more complex than another project, and up goes his fee. That will not be challenged.

Virtually all professionals working in the private sector will be able to get around these controls. This means that unfairness is built right into this program at the outset.

Apart from that type of unfairness we have the figures selected by the minister of $600 and $2,400. Already I have had calls from people who expect to receive the $600 and who believe it somehow is guaranteed. Of course that is not the case. A misunderstanding exists in that regard. This is a maximum figure in respect of those on low incomes. The most one may receive if he should be on the minimum wage scale would be an increase of $600 under the guidelines.

An hon. Member: No.

Mr. Broadbent: If I have misinterpreted this then I hope the error will be pointed out, now or later. However, as I understand it, the 10 per cent means that if one's income is $6,000 the most such a person could receive would be 10 per cent of that, which is $600. I do not know where the error is. The Prime Minister was shaking his head. I will look to him to correct this later.

Because most low-income people are not in trade unions and do not have a strong bargaining agency not only are they unlikely to get the $600 but, on the contrary, virtually 90 per cent of them will not come near it because there is no mechanism to ensure that they will receive that money. Did the government at least bring in a minimum program for these people to make sure they receive this? No. Did it change its federal minimum income wage law upwards somewhat so that these people would receive it? No. It said to the poor people of Canada who are at the bottom end of the scale in terms of income and who do not have a trade union, "too bad". That is what will happen in their case. They will not get the $600. The point we make on that issue is that it should have been made very clear to Canadians that they will not receive this as a right, and that most likely those down at that end of the scale will not receive it at all.

The second point we make in that connection is that the $600 level should be raised. Surely the $600 figure is too low. It is at the bottom end of the scale. How high it should be raised is a question on which I do not presume to give a definitive answer, but it must be substantially above that $600 level. The range is too great in terms of the $600 and the $2,400. The bottom amount simply is too low for people in Canada already living at the poverty level where they will remain in the years ahead.

The third point I make is that pensioners in Canada are not getting anything. One would have thought that a program dealing with inflation would deal with that category of people who are out of the labour market, who are not able to cope and who are dependent now, as has been mentioned, on an indexed pension. That is the situation for most pensioners in Canada unless they live in a province such as British Columbia or a couple of others, not necessarily provinces with NDP governments, which have taken additional steps to bring their incomes up above the poverty level. The point is that even with the indexed pension the level is still too low.

If the government wanted to deal with one category of person requiring some additional outlay of capital now, surely it should have been the pensioner, but there is nothing at all in this program for pensioners.

Then there is the matter of housing. If one thinks of the inflation which has been troubling Canadians in a serious way in the last couple of years, housing is one of the main issues. Surely the government should have done something on the supply side in a very significant proportion, to deal with the housing situation. It brought forward the idea at the federal level of rent control, which we have argued for and which we support in that part of the program. However, I say that unless the rent control program is complemented in the most serious way by a program to increase the supply of housing very significantly in the next year or two, it in itself would simply lead to horrendous headaches in a short period of time. You cannot have one without the other. If you have rent control, you must also have an imaginative and expansionary program to increase the supply of housing. There is nothing in the white paper to indicate this.

There is in the white paper a reference to some changes in the housing legislation but I suggest, given the record of this government which has not been reticent about patting itself on the back in the past inappropriately, that if we are to see a significant departure in respect of the housing program we would have seen those words in the white paper. One would have seen that there is to be a new major housing thrust or significant development, but that is not there. All that is indicated is that there will be some modification in the housing legislation. That, for our party, will not do. In our view there must be on the part of the federal government a major commitment to move in the housing sector with significant sums of money to increase supply so that the cost of housing can be brought down.

Those are the principal reasons why our party opposes this specific set of proposals. Some of my colleagues will be giving additional points. I have tried to indicate the principal ones. To sum up, in our judgment there is unfairness on the one hand and there is unworkability on the other hand. We say that the package which has been brought in to deal with inflation is deficient in terms both of what it prescribes and what it lacks, particularly in relation to housing, pensioners, and low income Canadians.

I wish to turn now to the reasons why the government feels it must bring this kind of program before the people of Canada at this time. The white paper, the former Minister of Finance, the Minister of Industry, Trade and Commerce (Mr. Jamieson), and the Prime Minister himself have referred to two issues. One is the wage-push factor in inflation and the other is the problem as they perceive it of our pricing ourselves out of competitive markets. The New Democratic Party takes both these points seriously. If they could be demonstrated, then the government's intention to base remedies on these particular ills would be entirely appropriate. What I want to argue is that in fact they do not have the foundation that the government claims they have, that we do not have inflation in Canada which is due to high wage demands, and that we do not have in Canada a serious threat to our competitive position in terms of world trade because of such wage demands and wage increases.

• (1750)

In my view there is no economist, respectable or otherwise, in Canada who has demonstrated a cause and effect relationship between our wages and our inflation. Many workers in Canada, trapped by two and three year contracts, have been merely attempting to make up the ground they lost due to past inflation. In the last three years, from mid June 1972 to mid June 1975, the consumer price index rose by 33 per cent. During the same period of time wages rose by 36 per cent, or only 1 per cent more a year. Given increases in Canadian labour productivity I would argue that the Canadian worker has in fact got less than he deserves, not more. Certainly I would argue that he has not caused the inflation that was going on in the Canadian economy; he was responding to it.

Some hon. Members: Hear, hear!

Mr. Broadbent: I am pleased to add to my support a person whom I and the socialist party would not normally be citing, that is, Gerald Bouey, Governor of the Bank of Canada, who made a speech about a week ago in Saskatoon in which he made essentially the same point. I think it is very important to get through to the people in our country who now are beginning to see ordinary working Canadians as being the principal cause of our economic problems that that is not the case. The Governor of the Bank of Canada himself said that wage demands in recent years have followed price increases, that workers have not been causing the increases, that they have been responding to them; in short, they have been responding to the mismanagement of the Canadian economy.

What about the trade situation? Again we have heard a number of politicians, editorial writers and businessmen complain about Canadian wage settlements. What are the facts? First of all, a recent study by Nathan Bossen of the Montreal brokerage firm of Brault, Guy, O'Brien, Inc.—not a well known socialist establishment—using figures from the Organization for Economic Co-operation and Development, concluded that Canadian unit labour costs from 1970 to the beginning of 1975 have escalated at a lower rate than those of any of our major trading partners with the exception of the United States. In Bossen's view:

> Canadian unit costs have not risen at such a rate as to cause concern for our competitive position.

In any event, relative labour cost increases seem to have little bearing on trade performance; real demand for a country's export products is more important. This is particularly true when the principal exports are raw materials, as is the case with Canada. It does not matter in any significant degree what the labour costs are in terms of our major exports. But I repeat the point: even if, as is the case in certain sectors, labour costs are a concern, our competitive situation has been improving, not getting worse, and I will provide some more information on that.

The 7 per cent decline in exports over the past year is due to an international recession and not to the loss of our ability to compete. The United States is our largest customer, and when the United States is suffering a recession Canadian exports will also decline because demand in the United States has dropped. Furthermore, recent import-export statistics refute those who have been saying that high wage settlements in Canada are pricing our exports out of other markets than the United States. Exports of Canadian finished products with a relatively high labour component have increased in value by 8 per cent in the first six months of this year; all exports, including raw materials, rose only 5 per cent. So the increase in our exports has been going up higher in those sectors than in all exports as a whole.

If trade in automotive goods to the United States is excluded from the figures, the performance of the manufactured goods sector looks even better, with exports up during this period by some 13 per cent. Trade indices also show that between January, 1974, and the end of March, 1975, prices of Canadian exports rose by an average of 27 per cent while import prices increased by 42 per cent. This means that our relative competitive position in terms of prices in world trade has improved, not worsened.

I defy the new Minister of Industry, Trade and Commerce, when he contributes to this debate, as I hope he will, to present some supporting evidence for the case that his predecessor has made, namely, that we are pricing ourselves out of world markets.

I notice, Madam Speaker, that you are rising to your feet, so perhaps I will call it six o'clock.

The Acting Speaker (Mrs. Morin): Before adjourning for dinner I would like to advise the hon. member for Oshawa-Whitby (Mr. Broadbent) that his time has now expired.

It being six o'clock I do leave the chair until eight o'clock this evening.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, if this were the day before Christmas we would say: In the silence of the night, let us all reflect on the future of our country. But since this is October 14, 1975, let us all reflect on the economy of our country.

Mr. Speaker, I would like to use seriously the few minutes allotted to me to express the views and the wishes of the voters of the constituency of Bellechasse that I proudly represent, and also to express the thought of, I believe, all Canadians who are concerned about the future of Canada so that the economy of our country may serve all Canadian citizens and that we may serve our country as Canadians.

• (2010)

When, a few years ago, President Kennedy fell under the bullets of an assassin, these words of his were recalled on several occasions: We must not ask what this country can do for us, Americans, but rather what we, as American citizens, can do for our country. Mr. Speaker, these words should apply in 1975. We should ask ourselves very seriously: What have we done for our country? What has Canada done for each one of us? What does the future hold for us

as a nation? What does Canada hold for each one of us in the future? What must each one of us do to ensure the future, the greatness and the development of our country? October 14, 1975 is a memorable day in the history of our country.

We can have fun and amuse ourselves, go to the movies or to the theatre, we can act irresponsibly if we wish, but it still remains, Mr. Speaker, that a serious decision must be made in our country on this day, October 14. We must make this decision together, you, Mr. Speaker, each one of my colleagues of the House of Commons, and this parliament, we must seriously ask ourselves what the population is thinking tonight at 8:10 about the Canadian parliament, and it is wondering how we shall determine the future of every Canadian and of our economy.

Mr. Speaker, as I keep constantly in touch with my constituents, my fellow countrymen, I can tell you that these people are now worried. The fathers, mothers and heads of families are concerned about the future of their children. They are wondering what is in store for tomorrow.

What do the children we have brought into the world, we have raised and given the best training we could, the best education possible at every level, think of us today and what will happen to them tomorrow?

Mr. Speaker, some authorities are also wondering, the municipal authorities which are closer to the people, which assume the greatest responsibilities towards the individuals and families are now wondering how they will manage to provide the services to which the families and the individuals are entitled.

Recently a convention of the Canadian Federation of Municipalities was held. Through its most authoritative spokesmen, its president and its executive secretary in turn expressed their concern to the people, the federal and provincial authorities, having to meet their obligations and provide essential services to the people.

Recently, we have also witnessed a congress of mayors of municipalities. I feel quite at ease in speaking of municipal affairs because I have been directly involved in them for over 30 years. I think I know pretty well the thinking of mayors, secretary-treasurers, aldermen of cities and towns, and rural municipality counsellors. I believe I can feel the pulse of the situation.

All these people during these congresses, and in particular, the congress of mayors and municipalities, were concerned by a terrible situation.

People across the country are asking municipal authorities essential services, such as sewers, aqueducts, housing, but such services at prices and conditions they can afford.

About a week ago, I saw the mayor of the city of Quebec say to the people on television that if the provinces cannot adequately meet the requirements and demands of municipalities the latter would have to turn to Ottawa, and Ottawa, Mr. Speaker, it is you, Ottawa, it is all the members of Parliament, it is the right hon. Prime Minister, all the ministers of the various Canadian government departments.

While we have heard many times during the last 20 years that the autonomy of municipalities is something sacred like that of provinces, since the provincial governments are unable to meet their financial requirements adequately, the municipalities are now pondering their problems. I take to witness the mayor of Quebec City who a week ago stated: If the provinces are unable to help us, we shall have to turn to Ottawa. Ottawa, it is you Mr. Speaker and all of us now in session to examine very seriously the problems facing us.

The municipal government is the one that is closest to the people, that can best understand the needs of individuals and families and normally it should be in a position to answer adequately the legitimate requirements of individuals and families. But we know that municipalities are now in a desperate financial situation. Reading the newspapers is enough to convince us that those situations are desperate in Canada. If we take a look at the United States, we realize that New York City, Boston and other big American cities are at the brink of bankruptcy. What does it mean, Mr. Speaker, to be on the verge of bankruptcy? It is to have expenses in excess of the potential income a given community would need to meet its normal financial obligations. In the meantime, we as Canadians, as Quebecers, as the Quebec government, we crawl in front of New York financiers begging for help. When they are not even able to meet their obligations, we ask them to lend us money to survive at home, to survive as a province, to survive as a country, to survive as municipalities.

Mr. Speaker, this clearly demonstrates that the problem we confront today as Canadian parliamentarians boils down to two things: inflation and unemployment, which are both financial problems. These days a lot is being said about inflation. But great care is taken not to define inflation. Reporters, newspapers, television and radio do not co-operate very much with you, Mr. Speaker, and with hon. members to enlighten the Canadian public as to what inflation really is. As for me I am not smart but I know that I am not smart. There is something which is great, it is to be aware of it. And I can always go to the people who are more learned than I am. Larousse is a dictionary which defines all the words in the French language and which tells you what each and every one of them means. That is why, not being smart tonight I opened my Larousse dictionary. And I have tried to find out what inflation means. So here is what one can read in the Larousse dictionary, on page 543. Let us listen well, Mr. Speaker. I may not be very bright but surely Larousse knows what it is all about. I quote:

• (2020)

Inflation: Déséquilibre économique caractérisé par une hausse générale des prix, et qui provient de l'excès de pouvoir d'achat de la masse des consommateurs (particuliers, entreprises . . .) . . . et des services mis à leur disposition.

So, this means that there is an increase, an excess of purchasing power in relation to services offered to people and goods available to them. That is what inflation means.

As members of Parliaments, we have to ask ourselves very seriously, not facetiously, but as responsible people, if there is really inflation in Canada. Is there an excess of

services offered to people, is there an excess of potatoes, tomatoes, pork, milk, butter, cheese?

If I had the time to do so, Mr. Speaker, I would pick out of our own *Hansard* answers which prove that in the last few months we did import cheese from New Zealand, Australia, the United States, Holland and Belgium, and that we also imported beef from those various countries. Therefore, was there really a surplus of those farm produce, considering the demands of the consumer, the needs of the Canadian consumers? That is what the Larousse dictionary says: excessive purchasing power, too much money to buy the goods that are lacking.

And at the same time, Mr. Speaker, the producers of Canadian cheese and butter are told: Reduce your production; quotas will be imposed upon you; you will be forced to produce according to a specific quota system, to avoid surplus production exceeding the purchasing power of Canadians.

Do you know, Mr. Speaker, what is happening at the same time? While poultry producers are told to reduce their production, are asked to accept quotas, the same organizations tell the Americans to come and sell in Quebec, in Canada, their surplus poultry, their surplus eggs, that we will accept them here; that is what causes the imbalance, that is what explains the fact that our producers of beef, pork, poultry and eggs, do not know where they stand, and which way to go; their situation is hopeless; they can no longer get for their work, their production, the income needed to live decently. This is happening in Canada, before the eyes of all parliamentarians, myself included, and we look on passively. Then the Prime Minister, on the eve of two by-elections, appears on television, as the leader of the Canadian government and of a political party called the Liberal party, and sets forth to the Canadian people solutions to our problems of inflation and unemployment. He tells them: Boys, there is only one answer, tighten your belts. I have a belt too and if I tighten it, I will choke eventually. Now, tighten your belts.

What does he mean by tightening our belts? It is to go without the things one needs to meet one's personal needs. That is to tighten one's belt. Is the solution proposed in the white paper a good solution? The Canadian Parliament must decide on this this week. Is it really the answer to the economic problems, to the problems of inflation and unemployment in our country? Is it the answer? What is unemployment? Since I am not smart, I consult those who are more learned. What does unemployment mean? On page 206, *Larousse* says: Period of inactivity for a worker, for an industry. We knew that also. To be unemployed means being out of work, that is what we must remember, Mr. Speaker. To be unemployed means being out of work. I would like to look fully into that question. I heard last night on television the right hon. Prime Minister (Mr. Trudeau) say to the Canadian people that our gross national product must increase if we are to deal with the problems of inflation and unemployment. I may not be very knowledgeable about those things, but I am at my wits' end to understand what he meant by that.

Mr. Speaker, quite seriously, I will speak about the budget of the former Minister of Finance, the hon. member for Ottawa-Carleton (Mr. Turner), which was brought down on June 23, 1975. I was sitting in my place, he was in his, and the others were in theirs. We were waiting, holding our breath, for the solutions to our economic problems. Nobody, Mr. Speaker, is happy with adverse conditions in Canada, nobody is happy about that, regardless of one's party. We want Canada to have a really prosperous economy which would enable fathers, mothers, boys and girls who have been educated at the cost of hundreds of dollars—I know it from experience—after obtaining their diploma and acquiring experience in their chosen field to serve the Canadian community and the country, thanks to that diploma and that profession which make them efficient producers of either services or goods in a given line.

• (2030)

I think it is only good common sense that leads us to expect from our children, from the coming generation to produce things to meet the needs of the population as a whole. We know what is going on, Mr. Speaker. We have now more than 600,000 qualified people, graduates who hold diplomas or trade certificates and could be productive, but they are unfortunately out of work. It was said earlier what unemployment is. It is to be unproductive. People are prevented from using their talents to produce something in order to meet their needs or those of the community.

Therefore, Mr. Speaker, in the budget of 1975-76, I think some thought should be given to that. I apologize for speaking up but I am shocked, you understand, Mr. Speaker, I am shocked to see that we are going to spend—responsible people like the Postmaster General (Mr. Mackasey), the Minister of Finance (Mr. Macdonald), the right hon. Prime Minister (Mr. Trudeau), and all cabinet members, responsible people—that we are to spend in 1975-76 nearly $4 billion to support unproductive people, to pay benefits to people who willy-nilly are unemployed, idle. Meanwhile, Mr. Speaker, they try to make the public believe the unemployment problem can be solved, that jobs can be created and that the $150 million earmarked for local initiative programs will generate employment throughout Canada.

A sixth grade school boy, Mr. Speaker, can do better than spending $150 million to motivate people to work, to do something to increase the gross national product in this country, to meet our obligations, to curb the curse of inflation so as to provide Canadians with an ever increasing number of goods and services and lick this serious problem of inflation.

Mr. Speaker, I have read very carefully, and when I say very carefully I mean very earnestly because at my age one is not interested in jesting any more. When one has family commitments such as I have at present, such as I have had in the past, a lot of things become less important if considered intrinsically. They belong to the past. Therefore, Mr. Speaker, I believe we should very seriously consider the solutions which are proposed in the white paper. "White paper" is a beautiful expression. What is white is supposed to be pure, but in the final analysis, as once said the former President of France, the late General de Gaulle whose name I proudly utter, regardless of the mistakes he

may have made—at least words I did not mean should not be put in my mouth—at least he gave mankind the very profound thought that one should always get to the bottom of things. Whatever the matter, Mr. Speaker, our responsibility is to get to the root of it to find out about the formula that is proposed to us, the valid solution to our problems. Is the white paper presented to us today the right formula to solve inflation and unemployment? I ask the question, dear fellow members of Parliament. Let us try to think about it seriously. I know that as a member of a small political party, opponents take pleasure in telling us we are a small political party. Mr. Speaker, in a family of any size, when the little one tells the authorities: It is raining this morning, even if the authorities say that the sun is shining, if it is really raining, the little one is right. That is the way it is in Parliament.

In Parliament, Mr. Speaker, we sincerely declare that the formulas proposed by the economists until now are not valid. The right hon. Prime Minister of my country that I respect whole heartedly has been misinformed by the economists. The Cabinet of my country whatever the colour of the governing party has been misinformed by the economists of our country: they say first one thing and then another. Some say: Let us try this formula and if it does not work, we shall try another one. In the meantime, Canadians are the ones who pay.

Mr. Speaker, we are in a really desperate economic situation. Canada has got into debt and I bring your attention to this: From 1867 to 1967, our debt has gradually reached $30 billion. It has taken a hundred years to accumulate a debt of $30 billion. You can check, Mr. Speaker. It was the official answer of the Minister of Finance (Mr. Turner) as reported in *Hansard* this year. The debt of our country that amounted to $30 billion as of July 1, 1967 has reached $58 billion as of July 1, 1974. By now I would not be surprised if our national debt has reached $60 billion.

Mr. Speaker, this is the essence of my remarks for tonight. I took a roundabout way to demonstrate to my colleagues that the main cause of inflation is the financial system in which we live, that no longer meets our needs in 1975 and contributes to raise the cost of living because of interest rates which go up every month.

• (2040)

Mr. Speaker, as I speak to you and every morning the sun rises Canadians in this country must make sacrifices, pay $10 million in interests on the national debt, and I challenge any member in this House to prove otherwise because those are official figures released by Statistics Canada.

Mr. Speaker, the way things are going, we are moving toward an even more catastrophic situation. So what does a small party like the Social Credit Party of Canada suggest? Mr. Speaker, you seem to say, just a few members. I can tell you that in this little party we are serious, we love our country as much as any other member of this House. We want our country to be prosperous and we also want every member of this country, whatever the wealth of the family to which they belong, we want every Canadian to be able to share the benefits of the sacrifices and efforts of past generations. We are disgusted, Mr. Speaker, when we see that this parliament, this government, has helped bring about such a disastrous situation.

Mr. Speaker, a week ago the President of the Treasury Board (Mr. Chrétien) ask the people of Canada, to tighten their belt, to be reasonable in your claims. I fully agree with him but he forgot, for example, that the day before, Canadian bankers enjoyed an increase of 1 per cent in the interest rate. Did you think of what that represents for the whole of Canada, an increase of 1 per cent on all loans made not only in the public sector but also the private sector?

Mr. Speaker, in the present situation in which we live the federal and provincial governments are private industry's main competitors. My dear friends, it is an excellent formula which enables a country to develop, because private enterprise allows the individual and the enterprise to give the best of themselves, to use their abilities and their resources to the fullest and thus not only the individual, but his family as well as his community may derive some benefit.

Mr. Speaker, I am quite sincere when I say that we have a golden opportunity to change our economic system.

Our Prime Minister, whom I respect and to whom I listened on television last night, did not give us any magic formula, but he called upon the goodwill of the individuals as I do tonight to use another formula. The Prime Minister did not suggest any new approach. What is preventing us from trying something new since we are at our lowest ebb and quite unable up to now to try such an experiment. What is that new experiment? It consists in the use by the Canadian government, backed by Parliament which is the supreme authority in our country, in the use, as I said, of the Bank of Canada. Some people think it is funny. You see those green Liberal members making faces and becoming exhilarated whenever Social Credit members suggest a better way of making use of that bank which belongs to the Canadian people as a means of creating credit, as a means of turning the dedication of each and everyone of us into money, as a means of having that dedication turned out into dollars and benefit Canadian citizens as a whole. We therefore introduced an amendment to the Bank of Canada Act so that this Bank which was created by Liberals—Why not at least try to trust your own party.

Mr. Deputy Speaker: Order. The time allowed the hon. member for Bellechasse (Mr. Lambert) has expired. However, he seems about to conclude within a few seconds. Does the House agree to allow him a minute or two to complete his speech?

Some hon. Members: Agreed.

Mr. Lambert (Bellechasse): My God, how pleased I am, Mr. Speaker, to hear the Chair ask my colleagues in the House to let the member for Bellechasse complete his speech. I will not abuse this privilege, believe me! My feelings are well known. It is therefore common experience that during the eight or ten years I have sat as a member of this House, I have never attempted to abuse the privileges of the House. Mr. Speaker, I thank you and I thank my colleagues for letting me complete my remarks.

I was just saying that the Government should be allowed for once to use the Bank of Canada as a means of managing the credit of our nation, of providing new credit, of paying the discount that we suggest as a solution to our present economic problems. A compensated discount is the opposite of a tax. A 10 per cent tax has the effect of increasing prices by 10 per cent, whereas a compensated discount cuts down prices by 10 per cent. The 10 per cent discount benefits all those who use those products. But who is going to pay for that discount? The whole of the Canadian people through the Bank of Canada, the national credit board, will determine that Canadians have worked more, that the country's output has increased. In 1974 our gross national product amounted to $139 billion. But if in 1975 our national product is $140 billion, the increase should benefit all Canadians. And in order that every Canadian may benefit, it should be distributed as dividends, as guaranteed annual income or as another form of revenue.

This, Mr. Speaker, may seem funny to you, but we sincerely believe in such a measure. We are convinced such a formula would be no worse than all the damn formulas tried to date, and which have led to the present failure. Let us have the courage to try something new. We cannot do any worse than what we have known until now.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, when the Prime Minister (Mr. Trudeau) spoke to the nation yesterday evening on television, he asked Canadians to act in a responsible and collective way to deal with the serious economic problems now facing Canada.

The white paper tabled today proposes a series of strong and courageous measures to stop inflation. It is clear that our economy is now besieged by too much inflation. But it is just as clear that there is too much unemployment, and that we should have continued growth while maintaining a social reform program. I say without any hesitation that the government needed a great deal of courage to resist the pressures by those who would have wanted us to use a big stick against inflation, by imposing a freeze on price and wages, whatever the cost to the growth and welfare of our economy, and by making such drastic cuts in government expenditures that the most basic social and economic policies would have suffered.

Instead, the government has opted for a four point program: first, the fiscal and monetary policy will be administered so as to increase global demand and production at a rate consistent with that of an increasingly regressing inflation and there is absolutely no question of using unemployment as an antidote to inflationary forces.

Second, the growth of federal government expenses will be restricted to what we believe the economy of the country can support. It is obvious that the manpower of the public service will not be able to increase substantially and will therefore increase little, but it is also obvious that the government will maintain essential services and allowances, particularly for those who need them most.

Third, the government recognizes that the present inflationary forces are profoundly entrenched in the structure of the goods and services and labour markets, as well as in the attitudes and the expectations of the population. Our labour and goods and services markets are not as effective as they should be. We must therefore make our economy more dynamic and more effective by reducing the present rigidity and intensifying competition in Canada.

These are important concerns which enormously affect my department. If we want to eradicate in the long run the latent danger of inflation, we shall have to develop a whole series of special measures in the areas of food, energy, and housing which will affect the very structures of these areas.

Fourth, the program of the government aims at taking decisive action to overcome the present inflationary psychology by following for the first time since the Second World War a clear and precise policy concerning prices and incomes in Canada.

This policy was used as a guideline to restrict the margins of profits, prices, dividends and salaries in Canada. It is clear, Mr. Speaker, that we recognize the inconsistency of the present inflation rate with the public interest as well as the seriousness of the national problem involved in its control and reversal.

That is why the Prime Minister asked the provincial premiers for their support and urged all Canadians to stand by those guidelines. That is why the Prime Minister also indicated that he hopes that those who hold the economic power in our society will respect those guidelines. That those who hold the economic power, that is his government, the governments of all provinces, the business and labour sectors will strictly comply with that guideline. That is why an anti-inflation board has been set up. It will have to see that this policy is respected. And finally, that is why later this week my colleague the Minister of Finance (Mr. Macdonald) will introduce legislation to establish the mechanism and provide the necessary powers to force some groups in our society to abide by the guideline, if they do not move volontarily.

Mr. Speaker, I think that in proposing those new economic measures, the government has adopted a responsible and firm position which will allow the Canadian people to go through, without too much trouble, that transitional period and, let us admit it, that period of economic difficulties. It aims at changing the inflation trends without throwing the economy into serious recession. It calls for some restraint from those who seek higher prices and incomes, particularly the big companies, the labour and public sectors, instead of using coercion and a large bureaucracy to reach those objectives. We believe indeed that Canadians would like to shoulder their own responsibility in cooperating with us instead of letting the government get unduly involved in individual and corporate affairs.

• (2050)

[*English*]

I listened very carefully this afternoon to the remarks of the Leader of the Official Opposition (Mr. Stanfield) who said that controls had to be comprehensive. For many

minutes during his speech he tried to tell us that this is exactly what we now have, and he tried to tell us that what he proposed to the Canadian people sometime ago is what the government has now offered the Canadian public.

Mr. Lambert (Edmonton West): It is a variation.

Mr. Ouellet: I think there was an awful lot of wishful thinking on his part when he was speaking.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Go and ask the man in the street.

Mr. Ouellet: With all due respect to the hon. Leader of the Opposition I should say that I understand he has reason to be away from the House tonight attending a dinner with Mr. Kissinger, and I appreciate why he is not here. At any rate, the things I want to say have to be said here. He used his privilege to speak in this House today in trying to second guess the government, telling us what we are doing, while in fact this is not what he wanted done or what he proposed to the Canadian public some time ago.

We are not today proposing comprehensive controls to the Canadian public. It is quite clear we are not doing this. The Leader of the Opposition at one time went on to say he is opposed to long-term comprehensive controls. He said he prefers short-term controls. Whether they are long or short-term, it is quite clear we are not talking about the same things. He was talking about comprehensive controls, but what we want to do, and what we want the Canadian public to do, is to follow voluntary guidelines for all Canadian people. There is a very substantial difference.

Mr. Lambert (Edmonton West): That is not what the Canadian public is saying.

An hon. Member: You better read the white paper again.

Mr. Ouellet: We want to impose selective controls for an adequate period of time. If the Leader of the Opposition thinks three years is too long, he should remember that three years can be very quick passing. He knows very well that during his career as Leader of the Opposition the time has been flying for him. There is no doubt that he did not understand at all what the Prime Minister (Mr. Trudeau) said last night to the public of Canada. What the Prime Minister said was important was to try to change the psychology of the people.

An hon. Member: He never said that.

Mr. Ouellet: He said it was important to change the thinking of Canadians who feel that in order to get their piece of cake they must protect themselves against inflation by asking for more. Therefore, when we issue these guidelines we issue them on a voluntary basis applicable to everyone, but we say that the big ones, those who have a significant effect on the economy, must obey a certain set of selective rules, and if they do not there is legislation to be used to put things in order.

I was completely surprised and shocked by the remarks of the Leader of the Opposition when he said the Prime Minister should not try to teach us but should show us. He went on moralizing and so on, and attempted to imply that we are not giving leadership.

• (2100)

I want to place on record first that the Prime Minister and the other ministers will obey the guidelines. This is clear. I do not appreciate what was said last night on the national network that there will be two sets of guidelines, one for the Canadian people and another for the Prime Minister. The Prime Minister and the ministers will obey the guidelines.

Second, I believe it is important not only to talk but to show leadership. The Prime Minister said that these guidelines will apply to federal public servants, a clear-cut indication that he hopes the provincial governments will have the courage to do the same.

Third, the growth of the public service will be limited. This has been said, and it is important that this be done.

Fourth, the total spending by the Canadian government will not rise out of proportion to the trend in respect of the gross national product. The Leader of the Official Opposition this afternoon read from page 8 of the document "Attack on inflation". This quotation is as follows:

> The federal government shares the view that the trend of total spending by all governments in Canada should not rise more quickly than the trend of the gross national product.

He said he does not understand what that means. Surely he should have read the two previous pages and looked particularly at the government's expenditures as a percentage of the gross national product. In fact he should have realized that the total expenditures of all governments in Canada as a percentage of the gross national product have increased to a great degree throughout the years 1965 to 1974. This is the sort of trend about which many people in the business community in Canada have complained. Many people and many members of the opposition have complained about the fact that the federal government and other governments are spending too much. This is the sort of thing with which we are trying to cope.

Surely, however, when we talk of our spending and the sort of things we could do to reduce our spending, the Leader of the Opposition is not suggesting that we should completely phase out some of our commitments that are of a statutory nature. I want to remind hon. members in this House that in fact some 56 per cent of the budgetary expenditures approved for the start of the fiscal year 1975-76 are for statutory programs. Another 9 per cent is accounted for by such essential support programs as consumer subsidies on petroleum products, programs relating to Indians and Eskimos, grants for regional economic expansion, incentives to increase manufacturing, and subsidies to farmers.

There is no doubt that the government will do its utmost to limit expenditures, but not at the expense of the poor people of Canada, those living in remote areas of Canada, and those who are in the greatest need in this society.

[*Translation*]

Mr. Speaker, I am pleased to greet you as you are taking up your duties for the first time. I am sure that on behalf of all the members, I may extend to you our best wishes in the performance of your new duties.

Mr. Speaker, I am rising this evening mainly to state to the House the crucial role that the Anti-Inflation Board will have to play to create a climate of restraint and moderation and to ensure that those who will readily restrain their price and income increases are not victimized because some powerful sectors of our economy will choose to ignore the rule of the game. I think that it is quite proper to put this Board under the responsibility of the Minister of Consumer and Corporate Affairs, because under its terms of reference, it must protect the competitive power of the economy while ensuring its efficiency and see to it that the profits derived from production are fairly distributed among the producer, distributor and consumer.

Mr. Speaker, the terms of reference and duties of the Board will be as follows:

First, to monitor movements in prices, profits, compensation and dividends. It will be responsible for examining them in the light of the policy set forth by the government. It will report to the government on the efficiency and the workability of this policy, and make such recommendations for its modification that it deems necessary.

Second, to identify actual or proposed movements in prices, profits, compensation and dividends which it feels violate the policy proposed by the government.

It will determine to what extent such movements can have a significant impact on the economy and if so, it will bring together the parties involved and endeavour through negotiations and consultations to bring them within the limits and the spirit of the government policy.

Thirdly, should the parties involved refuse to comply voluntarily with the government policy requirements and if they are liable to the legal restraints provided under this policy, the matter will be referred to the administrator of the anti-inflation act. The latter will investigate the matter and if he finds that the government policy was contravened without good reason, he will order a rollback to the initial price and the refund of all amounts paid beyond the limits set under the said policy.

Fourthly and lastly, the Anti-Inflation Board will feel duty bound to promote greater understanding of the inflationary process by arranging public hearings and meetings, by publishing reports, and by other means that it considers helpful. All such reports will be tabled in the House of Commons and made available to the public.

According to its terms of reference, Mr. Speaker, it is clear that the government is not trying to use this Board as an instrument of dictatorship in the economic area. Its main purpose is more like that of a watchdog or a peacemaker. The voluntary acceptance of the government policy will be emphasized, so that the need for a more specific legislation and a closer monitoring will not be felt. We shall give those the Board will deem necessary to investigate every opportunity to justify their behaviour and to mend their ways according to the limits of the government policy.

One of the main duties of the Board will be to define and interpret the government policy in order to apply it to every individual case. It will interpret and define the public interest under such circumstances, whether it be a major increase in prices or salaries during collective bargaining. It will monitor the actions of those who regulate the pace of our economy, big business and collective bargaining both in the public and the private sectors. It will make every effort to bring those who are about to disregard the government policy to adhere to the standard guidelines. However, should persuasion fail and if the parties involved refuse to comply with the policy set forth by the government, the Board will have the necessary authority to recommend the enforcement of the law.

• (2110)

[*English*]

I would like at this point to reply to some remarks made this afternoon by the hon. member for Oshawa-Whitby (Mr. Broadbent) when he said that so far as he is concerned the price control methods that have been outlined by the government are no good and will not operate. He expressed great doubt and great skepticism about what we have put in place. I want to tell him that I have more faith in the plan. I believe that the price controls will be effective, and I want to tell him, as well as other hon. members in the House, that before passing such quaint judgment on the scheme they should at least wait until they see the legislation and then the regulations. I think that then they would be in a better position to pass judgment and condemn or praise the plan.

I have more faith than the hon. member in the anti-inflation review board, and I have much greater faith than he expressed this afternoon in the members of that board. I also have more faith in the person named to be the administrator of the scheme, the official who will have the authority to act and who will have all the tools necessary to ensure that the price control mechanisms which we might want to use if necessary can be used effectively.

[*Translation*]

My colleague the Minister of Finance (Mr. Macdonald) has already stated that later this week he would bring forward a legislation which would give to the governor general in council the power to formulate a policy relating to restrictions with respect to higher profit margins, dividends and salaries, to set up an anti-inflation board, as I have already indicated, and to give to its president the powers which will allow him to apply the government's policy to specific groups.

Moreover, it has been decided that the setting up of this board should not be delayed. So, an order in council has been passed this very morning which established on a temporary basis the composition of the anti-inflation board. This temporary board will be maintained until a permanent anti-inflation board is established, that is until the legislation is passed by Parliament. This interim Board will then become the Anti-Inflation Board.

I am pleased, Mr. Speaker, to confirm that two well-known and highly respectable and respected Canadian citizens have accepted, at the invitation of the Prime Minister, to sit on that Board. The chairman of the Board the hon. Jean-Luc Pepin is not a stranger to the House. Mr.

Pepin will bring to the Board an invaluable knowledge of the machinery of government and business management, as well as a good dose of patience and a lot of good humour. The vice-chairman will be the present chairman of the Food Prices Review Board, Mrs. Beryl Plumptre. She has accepted to serve for an interim period long enough to terminate on the one hand the unfinished reports of the Food Prices Review Board and on the other hand to help set up and give a solid start to the new Board. Thanks to her exceptional leadership qualities the Food Prices Review Board has largely contributed I think to educate the people making them aware of the causes of inflation in the food area. I am convinced that she will keep on speaking her mind frankly, quality that personally I greatly appreciate. Furthermore, we have already started to recruit a competent staff in order to allow the Board to immediately get to work. In addition, the government intends to enlarge the membership of the Board so as to include representatives of various regions. This de-centralization will ease the task of the Board which will be able, because of the personal experience of its members, to take into account in its proceedings, situations prevailing in various areas of the country.

Hon. members have probably noticed, while looking at the White Paper, that the federal government has already started to comply with its own recommendations as far as the Crown corporations and federal agencies are concerned. The Prime Minister asked the provincial governments to take this action. The Anti-inflation board will be responsible for imposing the same requirements upon the public sector as upon the private sector.

To this end, the board will create for the public sector a distinct office that will handle price and wage matters. The provinces have been invited to appoint members to that office. The order in council creating the temporary anti-inflation board put an end to the work of the Food Prices Review Board. In just over two years, this agency has published more than 40 reports and it will be possible to publish the reports that have reached the final writing, translation or even the printing stage. I wish to say tonight that this agency, through its participation in the public debate on the food prices policy, has given the population a better understanding of such a difficult problem. I wish to thank publicly the members of that board for their excellent work. The experience of the Plumptre Board will not be lost as a good part of its staff will be integrated into the new anti-inflation board.

Mr. Speaker, before I conclude my speech, I wish to recall that the measures we are taking today are those of a government determined to act in a constructive way to improve the economic situation. However, I would be remiss if in my capacity as Minister of Consumer and Corporate Affairs I did not draw the attention of this House on two legislative steps undertaken by my department and which will have a long term impact as far as curbing inflation is concerned. I refer first to the reform of the competition policy in Canada and second, to consumer credit.

I think the reform of the Combines Investigation Act was the most important element of the steps taken by this government to conform with the structure of the economy, particularly when one knows that the contrary itself is responsible for a good part for the inflation we have.

The white paper also emphasizes the fact that this country needs greater market competition. The current legislation is outmoded and several of its provisions are no longer in line with the current modern world. I am happy to know that under an agreement with opposition members we can look forward to the rapid passage of Bill C-2 this week in the House of Commons, and I hope members of the other House will understand that it is important to approve this bill quickly and will cooperate with the government in that respect. Preparation of Phase II of the competition policy is practically completed, and we are getting ready to publish it later on this year. The proposals will reflect the judgment of the most enlightened Canadians on competition, and should clarify the question. After a reasonable period of discussion and debate, it is my intention to table a bill during the next session.

I also believe another major piece of legislation could help Canadians face the price increases. I am referring to the precise evaluation of their credit needs. Too often, unfortunately, consumers do not know the real cost of credit and tend to underestimate its impact on the family budget. It is so easy to use a credit card and forget that there are less costly ways of financing one's purchases. In my belief, it is the government's duty to ensure there is adequate disclosure of credit costs, such disclosure as not to require the use of a computer to compare various financing means.

The consumers must be informed of the best method available to them to lower their credit costs. Therefore, I intend to propose to the House a legislation concerning the protection of borrowers. That new legislation will provide for adequate protection for small borrowers. Also, my department is setting up programs aimed at helping consumers, particularly those who have low incomes, in order that they use credit in a more appropriate way. The legislation will also offer better protection for those who are involved with usurious moneylenders. I am convinced that careful and sensible use of credit will help many Canadians come through this difficult period.

Mr. Speaker, the new economic measures taken by the government are based on the belief that Canadians will give a constructive answer to the invitation of the Prime Minister and that they will accept to get together to slow down the price and income increases and also the excessive pressures which have jeopardized the economy. As I said, the anti-inflation board will play an important part in that government price and income policy.

This will not bring about undue government interference in the economy.

Those who accept voluntarily to submit to government policy will be assured that they will not become the victims of unscrupulous manipulators.

Finally, this will provide sufficient flexibility to adjust to economic fluctuations while our economy is on the uprise.

Mr. Speaker, I believe this anti-inflation policy to be a wise policy which meets the present needs of the Canadi-

an economy and provides what a great majority of Canadians wished for from the central government, and I am convinced that despite the disfigurement by the opposition of this general program, of this government attack program on inflation, despite the very understandable disfigurement by the Progressive Conservative Party, which would like people to believe that we are imposing a comprehensive and complete control on prices and incomes, the great majority of Canadians will understand that these are selective measures, but also guidelines, which must apply voluntarily in Canada and which, I am sure, will be followed by the great majority of Canadians.

• (2120)

[*English*]

The Acting Speaker (Mr. Turner (London East)): The hon. member for York-Simcoe (Mr. Stevens).

Mr. Baker (Grenville-Carleton): Mr. Speaker, before the hon. member speaks, would the minister permit a question?

Mr. Ouellet: Yes.

Mr. Baker (Grenville-Carleton): I listened with great interest to the statement of the minister that the Government intended to practise restraint and moderation. Could the minister tell us whether the increase in the number of parliamentary secretaries from 20 to 27 is an example of the kind of restraint the government intends to practise in terms of this program?

[*Translation*]

Mr. Ouellet: I think it is clear that, in difficult times, the government must resort to all available means to govern the country to and explain to the people which government measures are good for the country. And if the government can benefit from the competence and knowledge of some hon. members on this side of the House, in a higher capacity than that of ordinary members of parliament, then I have the feeling that all Canadians will approve the Prime Minister's decision.

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on rising to join in this debate this evening I would first comment that perhaps the voters of Hochelaga have recorded the most accurate verdict with respect to this government in the preliminary results which have now come in from that constituency.

Some hon. Members: Hear, hear!

Mr. Stevens: If the presentation of this program was at least partly a gimmick to influence the voters of Hochelaga, those voters were not fooled.

Some hon. Members: Hear, hear!

Mr. Stevens: As I listened to the Prime Minister (Mr. Trudeau) last night on television, I wanted to believe what he was saying. I earnestly hoped that the government was on the verge of launching an anti-inflationary program in this nation. But having read the remarks of the Prime Minister, the highlights of the anti-inflation program of the government, and the anti-inflation program itself, I find it difficult to match the words of the government with its previous actions. We have heard this rhetoric before. We have heard the Prime Minister lamenting that somehow it is others in the private sector who are causing the problem, but not the government.

• (2130)

For example, on November 2, 1969—that is a long time ago—the Prime Minister went on the television program "The Nation's Business" and stated:

> . . . the situation is an inflationary one. And that is why such a large thrust of all the government's policies is concerned with breaking the back of inflation. We as a government have taken various steps, balancing our budget—even having a surplus.

I wonder how he accounts for the $5 billion deficit this year alone when he talks about surpluses? Most interesting of all, on November 2, 1969, he went on to state:

> We have had a monetary policy, a fiscal policy, which shows that we are doing our part.

He pointed his finger at various sectors of the economy and stated that it is the duty of the government to talk for all these little people . . . It is the business of the government to speak for them. "We are doing it by telling big companies and big unions if they do not follow the government's example—and its voluntary restraint—we will take some action."

He went on to say:

> We can spend more money. But we want to have our operations responsible. We don't want to increase taxes, therefore we don't want to have a deficit.

Finally he stated:

> It is private enterprise, it is the private sector of the economy and in this I include the big unions, who are not doing their share.

How similar that is to the words of last night. He went on to state:

> Because they have strong bargaining power they're trying to get a big slice of the cake and pass on the results of their greed to the little people. What we're saying now is that if they don't take their responsibilities, the government will take its.

Before we go further in this debate let us recall what has been the record of the government with respect to the items referred to in this speech by the Prime Minister. He refers to deficits, government spending, fiscal policy, and monetary policy. Here is the record.

Since the Prime Minister took power in April, 1968, the money supply in this country has risen by an astounding 111 per cent, a 15 per cent increase in the last 12 months alone. In the same period we find that inflation has gone up 58 per cent. This is the inflation that the Prime Minister spoke of breaking back in 1969.

Perhaps most significantly during this period, the government's own spending has jumped by 192 per cent, it has almost doubled, yet in 1969 we had a prime minister who had the nerve to suggest that his government in future years was going to be a government of restraint with respect to monetary growth and government spending. That is why, although I would earnestly hope that the government would accept its responsibility and tackle inflation in this country in an effective way, I believe we have grounds for doubt that its members are serious in their present stance with respect to inflation.

In my view, Mr. Speaker, there are several parts to a proper, comprehensive anti-inflationary program. The monetary stance of the government is one thing, its fiscal stance on government spending is a second. The trade policy of the government has got to change—that too is part of a proper inflation policy. There is no industrial strategy in this country, yet last night we heard no suggestion that the new Minister of Industry, Trade and Commerce (Mr. Jamieson) was going to come up with any new direction for our industry.

In this debate, especially when the bill is before us, I think we should press the government to explain more fully to what extent it is going to cut out some of the government regulations that frustrate business in this country at the present time.

I believe some consideration should also be given to, and action taken on, where we can relieve some of the overlapping jurisdictional problems that exist in the country at the federal, provincial and municipal levels. This is one of the bottlenecks and we are not being told in detail of any government plans to relieve this problem.

Finally, I would suggest that in any anti-inflationary program the government should be willing to outline the position it intends to take in international circles among the large industrial nations to ensure that there is a concerted effort among those nations to counter inflation in the western world.

I should like to go back to those eight points in due course, but before we consider the program that was outlined last night and more fully described in the white paper today, we should check once again the wording of the budget speech delivered by the former minister of finance on June 23 this year. As we know, throughout the presentation today and yesterday the government made frequent references to this June 23 budget, and you will recall that in making their presentation both the Prime Minister and the Minister of Finance (Mr. Macdonald) quoted quite extensively from that speech. What they did not say was that the then minister of finance dealt with the concept of controls on June 23. Here is what the then minister of finance said:

> We gave careful consideration to the imposition of statutory controls over prices and incomes.

He went on to explain that he felt that there was some possibility that those controls would, in principle, be acceptable at that time. He continued:

> But there would have been—and are—immense difficulties and disadvantages in such a course of action.

That is referring specifically to the type of control we now have before us. The minister of finance of that date stated:

> Government would have to interfere in every type of business decision and wage settlement. To a far greater extent than in a voluntary program, a new bureaucratic apparatus would have to be set up. New types of inequity would be created. The flexibility of the market economy in directing resources where they are most needed would be impaired. Dislocations would occur.

The minister went on to state:

> These costs would be worth paying if direct controls could be successfully imposed. If this were the case, we might well achieve lower price and cost increases without higher unemployment. But the success of such a program would depend crucially on widespread public support. As I have said before, I believe that we can resort to direct controls only when there is a public conviction of the need for such action. That point has not been reached.

That was the government's view on June 23. What has changed? What has changed now other than the minister of finance? Is there this public support that the former minister of finance felt that they needed before bringing in the controls that we now have? Judging from the comments of labour leaders last night, it would appear not. I simply state that we seem to have a very inconsistent pattern in the government's policy concerning the program that it is now asking us to accept.

• (2140)

I understand that the powers to be are to be given discretion, as an integral part of the anti-inflation program, to tax away all income increases in excess of specified amounts. The former minister of finance spoke about this concept too. He said that he had examined the possibility of taxing away all income increases which exceed certain specified amounts. We concluded, he said, that this would result in administrative nightmares, create massive inequities but not ensure that the inflation of costs and prices would be effectively brought under control.

Why has the government changed its position? Are the provisions the Minister of Finance now refers to any different in their effect from the provisions referred to by the former minister? At that time they were called a nightmare. Is this what the present minister meant when he said that the program to be unveiled by the Prime Minister is frightening? That is the background we ought to consider as we debate the contemplated provisions of this program.

Let me be specific and talk about money. Dealing with monetary and fiscal policy the government, in its pamphlet "Attack on Inflation", says on page 4:

> The fiscal stance set in the June 23, 1975 budget, together with the announced intention of the Bank of Canada to allow the money supply to expand at a rate consistent with moderate real growth and a decline in the rate of inflation, constitutes an over-all demand management policy consistent with these objectives.

In other words, the suggestion is that these actions are consistent with a responsible fiscal and monetary policy. What utter balderdash! I defy any member of the House to read that statement and tell us what it means.

We have the government's record to guide us. We know what the government's monetary stance has been. Its stance has been among the most expansive in the world. If the Prime Minister wants to go on television to tell the Canadian people the facts, he should also spell out what the government has done to the country's money system. Let him tell the people what it has done to make the printing presses spew out more and more money in this nation. Do not take my word for it, Mr. Speaker. The Canadian Imperial Bank of Commerce deals with this question in its current Commercial Letter entitled "Inflation"—in bright red letters. There is a table in the letter showing how the money supply of the major industrial countries has grown. You know, this country is not the leader in the world in many areas, but we are No. 1 now for growth of money supply in 1974.

The table shows that the Canadian money supply grew by 18.9 per cent in 1974, a higher rate of growth than that shown by any nation on the list, including the United States, Austria, Belgium, France, West Germany, Italy, The Netherlands, Switzerland, the United Kingdom and Japan.

Can we take the government seriously when it says that it has launched an anti-inflation program? Can we take it seriously when we bear in mind that our money supply increased by 18.9 per cent in 1974, and that in the twelve months ending in September there was a further increase of 15 per cent? Mr. Arthur F. Burns, Chairman of the Federal Reserve Board of the United States, has said that that country would restrict its monetary growth to between 5 per cent and 7.5 per cent. On July 29, 1975, Mr. Burns appeared before the joint economic committee of Congress and said candidly that any growth in the money supply exceeding the figures just referred to would result in further inflation in his country. The United States authorities are willing to say they want to limit monetary growth to between 5 per cent and 7.5 per cent, but our government has not had the courage to tell the Canadian public its target for money growth in this country.

Despite the words spewed out about monetary restraint we know, according to the last available figures, that our money supply recently increased by $604 million. So much for limiting monetary growth. I said that that is one of the underlying pressures causing inflation in this country, and if the government were candid it would admit it.

The second underlying pressure is government spending. Here let me refer to its own figures. On page 5 of "Attack on Inflation" there is a table which shows that the federal government took 13.8 per cent of the gross national product in 1970, its take having risen from 12.9 per cent in 1965. The last figure is for 1974, which shows that the federal government took 16.1 per cent of the gross national product in that year. Governments took over 39 per cent of our gross national product in 1974, and will possibly take 40 per cent in the current year. This process has been one of the factors contributing to inflation. The Prime Minister ought to be honest with the Canadian public. This government's mismanagement has been causing inflation.

Some hon. Members: Hear, hear!

Mr. Stevens: The Prime Minister has juggled cabinet positions, as well he ought to have. Consider, for example, what has happened in the Department of Industry, Trade and Commerce. Can you imagine any minister heading that department tolerating a trading deficit of $5 billion? I sincerely hope that the newly appointed Minister of Industry, Trade and Commerce (Mr. Jamieson) will, salesman that he is, introduce more imaginative programs and ensure that we sell more of our goods on world markets than is presently the case.

I have already referred to the country's lack of industrial strategy. I have touched on government regulations and their impact on business. I suggest that we, as members of parliament, must be alert in the months and years ahead, to see whether the government takes steps to reduce the bureaucracy and lessen the red tape with which business must live at present. The federal government has been quick to regulate business still further, but has rarely cut out useless regulations. Such regulations and restrictions add to the cost of our goods and lessen industry's freedom to produce. In a free society industry's chronic problem has always been over-production, not underproducting. Recently, owing in many instances to government intervention, this had changed. Governments sanction cartels in business which, in turn, permit businesses to restrict their production and increase prices without being subject to the pressures of a free market.

The government has paid lip service in its anti-inflation program to the idea of at least reviewing such government regulations. It states that it intends to assess more carefully the cost to the private sector of many government rules and regulations in the context of their benefits to society at large. That is a welcome intention. Certainly I, for one, will watch the results of this assessment. To date, however—and I stress this—governments have continued to introduce legislation which places further controls on people and creates a greater bureaucracy to control the controls. The controls may be noble in intent, but in my opinion a lot deal with trivia, a lot are confusing, and a lot are impossible. The waste of time and energy is enormous.

• (2150)

I thought it interesting that the government should choose the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to be its second spokesman on this important subject of inflation. There we have it, the king of the bureaucracy telling us how they are going to handle an anti-inflationary program. I suggest that if you add up the costs of the effects of the government's regulations in all industries and in all levels of commerce, it will prove to be a major factor in higher prices today. In fairness the government does touch on this problem in its white paper and I earnestly press the government to take action in these areas as they are spelled out in this program. The effect of such regulations is a cost that the producer or businessman cannot absorb in its entirety, so the consumer is paying for it as he has to pay taxes to keep the bureaucracy itself alive.

Touching more specifically on the program as laid down, I would point out several odd features in it. Under the definition of the cost on page 17 of the program, it deals with various ways that business can add up costs and then have a price increase, if necessary.

How is the government going to handle, for example, wholly foreign owned multi-national corporations when it deals with this question of cost? How effectively is it going to keep track of the cost of articles that may be imported from the parent company for further manufacture in Canada, and then sold? To what extent can the government guarantee to the members of this House that those articles will not be marked up in price, the cost then passed on in the form of a price increase, the net effect being the siphoning off of income to the foreign parent? It may be that that provision in the program as it is administered will end up looking like a veritable sieve.

I also note that there are many exemptions with respect to the settlements. For example, if an employer can demon-

strate that he cannot attract or hold workers at existing wages and that an increase above the guidelines is necessary, the employer will not be regarded as having breached the guidelines.

I point out these references because I think the members of this House must examine the program very carefully to ensure that there will not be inequities, that those who have a wage increase that is justifiable are not denied their increase, but on the other hand those who do not have a justifiable wage increase should be denied that wage increase. There must not only be equity, but there must be the appearance of equity in the handling of the program that we now have before us. That is why I press the government to be more specific, to give us more knowledge as to what it intends and, hopefully, leave less discretion to this anti-inflationary board when it is set up.

As my leader stated earlier, we can go along with the spirit of this anti-inflationary program. However, we emphasize that there must be much more clarification of the program than we have had to date. We are disturbed by the rather indefinite period of the program. Three years is a long time. Certainly any control program that we in this party ever contemplated would not run for that long a duration.

I know that others wish to join in this debate. I will conclude by stating that we have before us perhaps the most momentous program and the most serious deliberation that we are going to have before us in this parliament. I urge every member to take a deep interest in the program and to ensure that inequities will not occur in its administration. Second, and this I stress most strongly, let us as members of parliament keep pressing the government not only to give us rhetoric, but to back up that rhetoric with actions that will end or at least lessen inflation in this country.

Some hon. Members: Hear, hear!

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I see that I have approximately one minute to add some of my gems to what has been dispersed throughout the House today.

Hon. members might appreciate knowing that I met with Mr. Morris of the CLC. I have gone over their statement. I indicated to him and to them that there has been an honest endeavour, on the part of the government through this program, to meet labour's nine points. The degree of success that I had may be revealed by the position taken by the CLC during the course of this week.

I think they are satisfied, at least to some extent, that we control many items indicated in their nine points. They mention professional fees, rents—and we look to the provinces there—and land speculation. As we go down the list there is housing and what we intend to do there, rents, land speculation, and co-operation of the provinces. About the only areas not directly affected by this program in their nine points is redistribution of income. That happens to be the total rationale for this program so that we can afford to take care of people in the lower income group. I cannot think of any sounder reason for the endorsation of this policy announced today in the House by the Minister of Finance (Mr. Macdonald).

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I ask if there is anyone on the other side with authority who can tell me if it is still the intention of the government to go ahead with Bill C-2 tomorrow and the next day?

Mr. Macdonald (Rosedale): That is correct, Mr. Speaker. It will be Bill C-2.

Mr. Deputy Speaker: Order, please. It being ten o'clock and the second motion having been made to adjourn at this time, therefore the question is that this House do now adjourn.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—POSSIBILITY OF EXTENDING REHABILITATION PROGRAM AND INCREASING FUNDS AVAILABLE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I do not see the Minister of State for Urban Affairs (Mr. Danson) in the chamber and I am not aware of the appointment of his new parliamentary secretary.

I am pleased to have the opportunity again to bring to the attention of the House the situation arising from the government's housing program which, as the result of the controls that will hopefully be implemented, is vital and timely. I hope the parliamentary secretary can convince the minister, as I have tried to do on several occasions, to increase immediately the funding under the Residential Rehabilitation Assistance Program. This is what I indicated to the minister in my question of July 21 last.

I repeat once again that the RRAP program is excellent. It could meet the needs of many thousands of Canadians. It could also relieve the pressure on those low and no income Canadians who own their own homes but cannot afford to maintain them. As a result their homes will continue to deteriorate and those citizens will have to join the ever-increasing numbers of those who require low rental or subsidized homes, and which the government cannot provide in the numbers needed at the present moment.

• (2200)

Let me give you an example, Mr. Speaker, of the tremendous value of this program to the Province of Newfoundland, a situation that is most familiar to me. The majority of Newfoundlanders in small rural communities own their

own homes. Many of these were built without compliance to any standards simply because no standards had been established at the time. Hundreds of them are close to 50 years old and were therefore built without many of the facilities which are taken for granted today. For example, a high percentage of them are without water pipes, inside toilets, central heating and—most important—are without insulation.

This matter of insulation is one I wish to refer to the minister; it involves an issue which the minister and his colleague, the Minister of Energy, Mines and Resources (Mr. Gillespie) do not seem to want to comprehend. For some reason or other they do not want to acknowledge the waste which exists as a result of the fact that many thousands of homes, not only in Newfoundland but in every province of Canada, are improperly insulated, with the result that the cost of heating is doubled or even trebled to those occupying these sub-standard homes, particularly in the winter months.

Consider, too, Mr. Speaker, that many of the citizens occupying these homes are on welfare and that it is incumbent upon many provincial social services departments to increase the amount of assistance granted so as to cope with the added cost of home heating. It must be obvious to the minister that if more funds were made available to provinces under the RRAP program to allow for the provision of suitable electrical facilities and heating systems, and to reduce the risk run by those who live in sub-standard homes, millions of dollars and millions of gallons of heating oil would be saved, thus reducing costs which are tending, surely, to fuel the fires of inflation and increase the effect of inflation upon those who can least afford to cope with it—the poor of our country.

Apart from a statement that his department was directing attention to the matter, the only answer I received from the minister in reply to my question of July 21 was that the minister of finance of that day had eliminated the sales tax on insulation materials. I cannot accept this answer. Surely the minister knows that those to whom I refer, those who need help the most, cannot afford even to take advantage of the elimination of the sales tax by purchasing insulation materials.

The other grievance I wish to direct to the minister is that the allocation of funding for my province has been the insignificant amount of $600,000, which at best would provide relief or advantage only to some 300 homes and which would only relieve the pressures on less than 10 per cent of Newfoundland's needs.

I am sure the minister is cognizant of the needs of Canadians with regard to housing and I can only appeal to him to reassess this situation in the spirit of my presentation, to recognize realistically the facts as they exist, and to accept my suggestions which I put forward in a spirit of co-operation. I trust he will treat this as a matter of high priority, and adopt a commonsense approach when it comes to supporting a rehabilitation program and providing the funding necessary both to relieve the pressures on low income Canadians and to allow the government to cope with present housing needs, particularly since the government is now taking steps to control the inflationary disease which so harshly affects those citizens who need the cure the most.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I wish to thank the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for giving me the first opportunity to speak in my role tonight as Parliamentary Secretary to the Minister of State for Urban Affairs. I am sure the minister appreciates the deep concern the hon. member has shown for this problem, and his remarks tonight will certainly carry the usual weight and will be studied carefully.

I should first of all refer back to the statement made on July 21, and to correct a misapprehension which is evident from the hon. member's question asked at that time. He suggested that only $7 million had been allocated for residential rehabilitation throughout Canada and that Newfoundland's share was only $600,000. These figures are correct for residential rehabilitation in rural areas, but an allocation of $39,300,000 has been made for residential rehabilitation in centres of over 2,500 people, and Newfoundland's share of that allocation is $1,300,000.

Furthermore, I am very pleased to be able to report to the House some significant progress in the area with which the hon. member is most concerned. As at September 30 of this year, in Newfoundland rehabilitation assistance applications approved and in the process of approval totalled approximately $1 million. This represents a take-up in the first nine months of this year of close to 75 per cent of the annual budget, suggesting that the program is right on target. It was the wish of the province of Newfoundland to allocate all rural rehabilitation funds to the Trout River area. Other rehabilitation loans and grants are limited to the two neighbourhood improvement areas in St. John's.

Elsewhere in Canada applications are being received at an increasing rate as other provinces proceed with the designation of municipalities and neighbourhood improvement areas. As a personal comment I would like to note that in my riding of Ottawa-Vanier I have two neighbourhood improvement areas and I am very satisfied with the way they are operating. One has been in existence for the last year, and another is just starting in Vanier.

The program is picking up steam and, as the very necessary consultations and agreements are accomplished and signed, there are indications that NIP and RRAP may enjoy a measure of success comparable to our extremely popular AHOP. It is now apparent they are meeting the need that prompted their introduction and that we can look forward to steadily increasing activity as the delivery systems are developed.

In the next few months as we give attention to the budget allocations for 1976 we will be watching closely the take-up capabilities of provinces under these two programs. Within the overall constraints we will ensure that funds are channeled from areas where they are not immediately required into those places where they can be put to the greatest use.

Adjournment Debate

TRANSPORT—URBAN TRANSPORTATION ASSISTANCE PROGRAM—DEFINITION OF WORDS "COMMUTER SYSTEM"

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, last March I asked the former Minister of Transport what progress was being made on the government's announced urban transportation assistance program, and I specifically asked the minister to ensure that the words "commuter system" would be defined to include municipal transit systems, in which case the Edmonton Northeast Rapid Transit line would qualify for assistance.

I asked that question because during the 1974 election campaign the government announced that a substantial program was forthcoming to assist urban transportation. As a matter of fact there were two or three policies enunciated by the Prime Minister (Mr. Trudeau) during that compaign which drew applause throughout the country, as the people were led to believe the government was finally going to act in helping to improve urban transportation.

At that time Edmonton was beginning the construction of the Northeast Rapid Transit line, and as the third city in Canada to have a subway Edmonton was trying to find out whether it could qualify under the terms of the policy. Several months went by, and it would take far more than the time allotted here tonight to go over all the correspondence back and forth between Ottawa and Edmonton, without any definitive answer being given because the policy had not yet been so formulated that it could be put into specific terms.

• (2210)

Nonetheless, Edmonton having committed itself to a rapid transit system went ahead and ordered rolling stock on the ground that it was important to keep construction on schedule for the subway so that it would be in place for the Commonwealth Games of 1978.

Finally on July 30 this year the government announced some details in respect of an urban transportation assistance policy. It announced a program of $100 million to be spent over a period of five years. But what did we find when we got to the detail but the very thing I and the administration of Edmonton had feared would indeed happen, namely, that there would be excluded from the policy municipal urban transport systems? That is to say, this policy would be in force only for systems between cities, and not for systems within a city. That seemed to me to cut the heart out of the urban transportation policy that we had been lead to believe the government was interested in bringing before the country.

The policy as enunciated on July 30 said that any vehicles which had previously been ordered would be excluded from federal assistance. Edmonton of course had gone ahead and ordered its vehicles in order to keep construction on time. I suggest that the implementation of the policy announced on July 30 was discrimination against the city of Edmonton, and indeed against all of Alberta since there is no system in Alberta that will qualify for the policy as enunciated and explained on July 30.

I say to the parliamentary secretary, speaking through him to the new minister, that if the new minister wants to show signs that he is sincere in his determination to represent western Canada in the government and the needs of the west, he should take a very hard look at this policy which is discriminating against Edmonton and change it so that Edmonton would qualify for $12.1 million worth of federal assistance if the rapid transit line of the city of Edmonton could be included in the policy. Edmonton has the support of the Canadian Federation of Mayors and Municipalities in its endeavour to receive its just appropriation.

If the government's policy of restraint which we have been hearing a lot about in the past 24 hours is to mean anything then there must be an element of fairness in how government money is spent. I suggest that since the policy of funding would take place between 1977 and 1982, a period of five years, this would fit into any policy of restraint on government expenditures, especially if we consider the over-all effect of what public transportation does in this country in cutting down automobile costs in heavily urbanized centres.

Indeed we know that for every $1 spent on cars in urban centres less than five cents is spent on public transportation. That is a shame in a society which is now beginning to pride itself on energy conservation, and indeed at a time when the government is spending enormous sums of money on advertising programs to convince Canadians that we must save energy in respect of heating and mobile costs. Therefore I suggest that at the tri-level meetings which are continuing in this country, with governments trying to get together, and in which I myself participated on September 29 in Edmonton, if there is to be a spirit of trust and mutual confidence then we must expect that the government will be honest with the people of Alberta and say that when it announced the policy in an election campaign it intended to deliver on it over a period in harmony with a policy of restraint and of energy conservation. The government should be honest with the people and not exclude us. So, for energy saving and a proper energy policy for the west, and indeed for the credibility of the new Minister of Transport (Mr. Lang), to whom I wish success, I say it is absolutely imperative that he re-assess that policy.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, may I say at the beginning that I am very pleased at this first opportunity which I have to participate in the debate in the House as Parliamentary Secretary to the Minister of Transport, and I am glad to do so in response to the remarks of a fellow westerner. I took very careful note of the hon. member's comments with respect to what he perceives quite rightly to be the deep concern of the present Minister of Transport (Mr. Lang) for the position of western Canada in Confederation and his aspirations in that regard. I can assure the hon. member that those aspirations are shared by many of us in all parts of the House.

As the hon. member for Edmonton-Strathcona (Mr. Roche) is undoubtedly aware, and indeed as he has just pointed out quite correctly, the problem of traffic congestion and its related evils such as automobile accidents, pollution, and urban sprawl, have become prevalent within our urban areas. A promising way to alleviate these prob-

lems is to increase the use of urban commuter and transit services in order to reduce the number of cars on the road.

Canadian municipalities have improved public transportation services in recent years with financial aid from provincial governments; the announcement of the federal intention last year to provide further capital assistance for urban transportation was warmly received by provincial and municipal spokesmen, and the media.

The former minister of transport, and the present Minister responsible for Urban Affairs (Mr. Danson) announced on July 30, 1975, a federal government capital assistance program for urban transportation. This program deals specifically with assistance for urban commuter services and provides for up to 75 per cent of the cost of new vehicles for such services in the form of grants, and a further 25 per cent in loans. This program will provide technical and planning assistance to municipalities, but particularly to those smaller ones which may have a need. As the Minister of State for Urban Affairs stated earlier, there has never been conflict between officials of the Ministry of Transport and those of the Department of State for Urban Affairs, and the announced program is the result of close collaboration between officials of the two Ministries. Furthermore, these two ministries are working very closely together in an examination of further initiatives that the federal government might take in the future in the area of urban transportation.

As the hon. member may know, the present Minister of Transport after assuming the transport portfolio did have occasion to meet briefly in Ottawa recently with His Worship Mayor Horawlec of Edmonton, and he indicated to the mayor at that time that he would re-examine the question of federal government support for the Edmonton rapid transit system.

Mr. Deputy Speaker: The two motions to adjourn the House being now deemed to have been adopted, accordingly this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, October 15, 1975.

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

SUGGESTED EXPRESSION OF SYMPATHY TO PRIME MINISTER ON CONSERVATIVE VICTORY IN HOCHELAGA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion arising from the fact that there are now and then times when members on all sides of the House should join together in expressing deepest sympathy to a member of the House who has suffered a great and tragic personal loss. I would therefore move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House express its very deepest and sincere sympathy to the Prime Minister, to members of the cabinet and to all members of the Liberal family on the momentous occasion of the Progressive Conservative victory in Hochelaga.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

HEALTH

SUGGESTED COMMITTEE STUDY OF MERCURY POISONING—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss a matter of extreme urgency which requires immediate attention.

Since Dr. André Barbeau, member of the study group responsible for controlling mercury poisoning hazards, has stated that "all the people from northwest Quebec have a very high rate of mercury in their system" and since it is urgent and necessary to take steps to cure the mercury poisoning victims and prevent in the future any poisoning hazard, I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That the Standing Committee on Health, Welfare and Social Affairs immediately undertake a thorough inquiry on mercury poisoning—especially in northwest Quebec—and report to the House on the steps to be taken to solve that problem endangering the health of the people.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

● (1410)

THE MINISTRY

INQUIRY AS TO ANNOUNCEMENT OF NEW MINISTER OF COMMUNICATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Stanfield: I hope nothing unfortunate has happened to the Prime Minister. Perhaps I might direct my question to the Acting Prime Minister. In light of the results of the Hochelaga by-election, can the Acting Prime Minister tell the House what the government has in mind regarding the Minister of Communications.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, under these circumstances I find it rather difficult to envisage the opposition looking so blue today.

In answer to the Leader of the Opposition, the Prime Minister is attending some meetings with Dr. Kissinger. He will be in a little later. In the meantime I can say that there has not yet been a decision made as to the Minister of Communications.

Mr. Nowlan: We want Simma.

Some hon. Members: Oh, oh!

Mr. Stanfield: Can the Acting Prime Minister inform the House as to when we can expect an announcement on this matter and when we can expect the government to announce its second choice?

Some hon. Members: Hear, hear!

Mr. Stanfield: In the meantime could the Acting Prime Minister inform the House who is the Acting Minister of Communications?

Mr. Sharp: The question of whether there will be a replacement for the present Minister of Communications is a matter which has not yet been decided. The Leader of the Opposition, having been a prime minister, will understand that there is a procedure for dealing with these

matters. There will be an announcement in due course. I understand that the Acting Minister of Communications is the Minister of Transport.

Mr. Stanfield: The country seems to be staggering from disaster to disaster.

Some hon. Members: Hear, hear!

* * *

CANADIAN RADIO-TELEVISION COMMISSION

DATE OF ANNOUNCEMENT OF CHAIRMAN

Hon. Robert L. Stanfield (Leader of the Opposition): Could the Acting Prime Minister tell the House if and when the government intends to appoint as chairman of the CRTC the vice-chairman, and to appoint a new vice-chairman?

Hon. Mitchell Sharp (Acting Prime Minister): The question of the replacement of the chairman is under consideration. A decision has not yet been made.

I am surprised that the Leader of the Opposition would think that as far as he is concerned the results were a disaster.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT TARGETS FOR REDUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. It arises out of the white paper published yesterday and the unemployment figures which also were revealed yesterday. Page 2 of the white paper makes reference to the fact that unemployment will rise in the months and years ahead if no decisive action is taken. Since that is the only reference in the whole of the white paper to unemployment, I should like to ask the Minister of Finance, if, in addition to the goal the government has set with a view to reducing the rate of inflation over the next three years, he could inform the House whether some targets have been set by the government to reduce the levels of unemployment and if so, what those targets are?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have set no targets as such on the question of unemployment. I, of course, dealt with that subject in my speech yesterday.

POSSIBILITY OF PROPOSALS TO INCREASE HOUSING STARTS AND EMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question with regard to the same issue and related to the question of housing and the shortage of housing. As the minister knows the expected starts, the goals, set by the government this year are not going to be achieved. I should like to ask the minister if he intends to bring to the House proposals that will lead to a major increase in housing starts in the months ahead and so fill that need as well as the employment need?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as indicated in the white paper and as announced in the House yesterday, my colleague the Minister of State for Urban Affairs will be bringing forward some proposals with regard to housing.

Mr. Broadbent: A further supplementary, Mr. Speaker. I wonder if the minister could tell the House when we could expect those proposals? Does the government plan to take any action with regard to mortgage rates and, specifically, does it intend to bring down mortgage rates?

Mr. Macdonald (Rosedale): Mr. Speaker, as I indicated to the hon. gentleman, and as was indicated yesterday, we will be coming forward with some proposals with regard to housing and my colleague might like to specify in what time-frame—but it would certainly be important to do this as soon as we can.

* * *

[*Translation*]

THE CANADIAN ECONOMY

EFFECT OF WAGE GUIDELINES ON POSTAL WORKERS AND OTHERS NEGOTIATING CONTRACTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the Minister of Finance.

In view of the fact that in his statement on prices and incomes control the Prime Minister said that the new regulations would become effective on the 14th at midnight; that the Minister of Finance repeated it yesterday and that in this morning's paper we read that the Postmaster General declared a postal strike could take place involving wage increases of the order of 71 per cent and that such a demand did not have anything to do with the new law; can the minister tell this House whether postal employees will be subject to the same restraints as others, and that from October 14, 1975, or whether they will be subject to it later on?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, may I draw to the hon. member's attention the paragraph on page 20 of the white paper which says that the Anti-Inflation Board will give special consideration to those cases where contracts have expired and negotiations are underway, where the expired contract was signed prior to the beginning of 1974. Therefore, the postal workers' contract is one of those that will be considered by the Board.

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

In the definite case of Bell Canada in northwestern Quebec whose employees have been on strike for the past three, four or five months; in the case of the pulp and paper industry where people are also on strike; in the case of the British Columbia forest workers, will the same regulations apply under these circumstances, and will the striking Bell Canada employees in northwestern Quebec be compelled to drop their demands and accept what the

government suggests, namely 8 or 10 per cent, or will their demands be cancelled *ipso facto*?

Mr. Macdonald (Rosedale): Mr. Speaker, the government and the mailmen or Bell Canada must first examine a proposition submitted by these workers. Then, this proposition must be submitted to the Anti-Inflation Board for approval and further suggestion. I cannot say for any of these contracts whether they will be approved or cancelled; it will be up to the board to decide.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a final supplementary question.

Does that mean, for example, in the case where the employer offers a 25 or 26 per cent increase to his employees whereas they are asking for 30 per cent, that both parties will have to get together and negotiate again to fit into the context of the new regulation?

Mr. Macdonald (Rosedale): Mr. Speaker, as a general principle, they will have to conform to the program's guidelines, which, however, recognize the justice of the situation whether there was a settled contract or new contracts with other employees. They will be entitled to a just settlement. It will be the board's responsibility to determine in each case what is right.

[*English*]

ALLEGED INEQUITIES RESULTING FROM WAGE GUIDELINES—GOVERNMENT ACTION TO CORRECT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of Finance. Since unions which closed negotiations and obtained contracts before the control program was announced will have a clear advantage for the next two years over other unions which did not complete new contracts, and over unorganized labour, what steps does the government intend to take to try to correct this inequity, or is it the intention of the government to leave this problem entirely to the Anti-Inflation Board?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think the guidelines are clear in this regard. It is not proposed to re-open contracts already concluded and in force. The proposal, and this is the point I was making to the hon. member for Témiscamingue, is that the Anti-Inflation Board will have to consider transitional situations in which, as indicated on page 20 of the guidelines, contracts entered into before 1974 have terminated in the past year and in which there have been negotiations. The government proposes that these situations should be referred to the Anti-Inflation Board, for determination in each case as to what would be the justice of the settlement.

WAGE GUIDELINES—ROLE OF CANADA LABOUR RELATIONS COUNCIL

Mr. John A. Fraser (Vancouver South): A supplementary question, Mr. Speaker. In view of the obviously inequitable situation developing with respect to labour and wages, can the minister advise the House if the Canada Labour Relations Council will have any role to play in obtaining the co-operation of both labour and management for this control program? I ask this keeping in mind that Mr. Morris, head of the CLC, said he opposes the control program.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Canada Labour Relations Council I think would be a useful vehicle for achieving a better relationship between all factors in society in connection with the difficult question of collective bargaining in Canada. Touching on initial union reaction, I think it is important from the government's standpoint to have closer consultation not only with the leadership in Ottawa, but with leaders of unions across the country, with locals and with the membership, to make certain that they understand that in the long run their objective, of assisting those at the lowest end of the income scale, is also the objective of this government and is best achieved through this kind of program.

Mr. Fraser: Mr. Speaker, may I ask a final supplementary question? In view of the minister's remarks, can he advise if the government intends to consult with the Canada Labour Relations Council and try to obtain the help of that council, bearing in mind that my party supported the formation of that council and that its duties connected with the control program should be clearly defined now?

Mr. Macdonald (Rosedale): Mr. Speaker, I must say, in relation to the program, that the Minister of Labour and I met with the council last week, with the government's proposals very much in mind as we discussed outstanding issues. I agree with the hon. gentleman; the Canada Labour Relations Council is an excellent forum in which to try to arrive at a better appreciation of and consensus for this particular proposal as well as other problems on the labour relations scene.

* * *

[*Translation*]

THE MINISTRY

SUGGESTED APPOINTMENT OF MEMBER AS MINISTER OF COMMUNICATIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to direct a question to the Acting Prime Minister.

Since in the present circumstances the government will have to nominate a new Minister of Communications, could the Acting Prime Minister tell the House if the government will be tempted to choose a member already elected or if it will prefer to try again the sad experiment it has made in Hochelaga yesterday?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is quite clear from the question asked by the hon. member that he believes there are many members on this side who are competent.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Oral Questions

HEALTH

GOVERNMENT INTENTIONS WITH REGARD TO BILL C-68

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the government House leader. In view of the proposals for controls announced by the Prime Minister the day before yesterday, and in view of the intent of Bill C-68, which is to place limitations on expenditures as far as medicare is concerned, will the House leader clarify whether this bill will now be withdrawn in view of the fact it appears to be somewhat obsolete or does the government tend to proceed with it as previously planned?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, we have had this matter under discussion. Certainly it is the intention of the government to proceed in principle, but I cannot say whether it will make some amendments in light of the restraints with which we hope the provinces will agree. If we do decide that those changes have to be made, we than have the choice of amending the bill or introducing a new one. I can assure the hon. member that we intend to apply restraint in this area as well.

TRANSPORT

FREIGHT RATES—SUGGESTED LIMITATION OF INCREASE IN CLASS RATES IN VIEW OF RESTRAINT GUIDELINES

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Minister of Transport. It relates to the announcement that Canadian National Railways will increase its class rates on October 21 by 20 per cent, which will be the third increase this year, amounting to a cumulative total increase of something like 87 per cent in its class rates. In light of that increase and others related to it, has the minister yet discussed this with the Canadian Transport Commission so that it can enforce its authority and limit these increases to one that are acceptable within the broad range of guidelines, both for government agencies and the public?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have not discussed the matter with the Canadian Transport Commission. Indeed, I do not think the guidelines will have any effect on the power of the CTC in this area. However, the guidelines may themselves have some bearing upon the situation but this, of course, is a legal interpretation of the act with which we will deal and pass. That will become more apparent tomorrow with the bill before us. Thereafter, hon. members can make appropriate comments and see what the power of the administrator will be in that context.

Mr. MacDonald (Egmont): Mr. Speaker, I am somewhat surprised that the minister has not studied the document his own government brought forward. It indicates very clearly that the prices and quality of service must conform with the new program that is administered under the regulatory authority. Will he take steps to ensure that these rates which will come into effect and have a very discriminatory effect, particularly against shippers in regionally disadvantaged areas of the country, will be rolled back or at least frozen at their present level?

[Mr. Sharp.]

Mr. Lang: Mr. Speaker, I thought it would be clear that my view is that guidelines can indeed apply notwithstanding what other legal situation exists. However, that obviously is a legal opinion. I am somewhat diffident about giving a legal opinion to the hon. member. I will, in due course, be glad to discuss it further with him. The point is very important. The guidelines, the statute and the power contained in that statute, is very pervasive and can have an effect in areas where otherwise the law does not allow for control of such things as rates on freight.

DATE OF IMPLEMENTATION OF RECOMMENDATION THAT COMMISSION PORTS GIVE GRANTS IN LIEU OF TAXES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is addressed to the Minister of Transport and the Acting Minister of Communications. The previous Minister of Transport frequently assured the House that the Scott report dealing with the reorganization of port authorities would include a recommendation to the effect that the commission ports would give grants in lieu of taxes. Will the minister assure the House that these grants will begin in the fiscal year 1976?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I cannot at this point determine the exact timing of the changes which will be made. It obviously depends in part upon implementation of changes in the policy and in changes in law. I can say, however, that the policy of my predecessor is in the process of being implemented in this area.

EXTERNAL AFFAIRS

POSSIBILITY CANADA WILL ATTEND EUROPEAN CONFERENCE—REQUEST FOR DEBATE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a question to either the Prime Minister or the Secretary of State for External Affairs. Now that the preparatory meeting in Paris of the officials of the European community, Japan, the United States and the other nations has been completed, and there is to be a ministerial conference in a few weeks, will Canada be included amongst those invited to participate in that conference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker. We think we will be on that list.

Mr. Baldwin: The minister smiles as though he got that information just recently.

Some hon. Members: Hear, hear!

● (1430)

Mr. Baldwin: In the light of the important nature of this meeting, is the minister prepared some time prior to the meeting to discuss with the House the government's attitude and, if necessary, make arrangements for a debate so that those taking part in the meeting will carry to it some indication of the views of this House?

Mr. MacEachen: I think it would be a good idea to discuss this subject in the House of Commons some time

before the meeting takes place, and I will consult with the House leader with a view to determining whether an opportunity is likely to come forward or whether we shall have to arrange one.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED STATES SECRETARY OF STATE DR. HENRY KISSINGER

Mr. Speaker: Order. I am sure hon. members would wish me to take advantage of this most appropriate moment to call attention to the presence in our gallery of a most distinguished visitor. I refer, of course, to the Secretary of State of the United States of America, Dr. Henry Kissinger.

Some hon. Members: Hear, hear!

Mr. Speaker: Not only because Dr. Kissinger represents our most cherished friend and neighbour, the United States of America, but also because his work throughout the world has been such a driving force for world peace, all of us, I am sure, wish him well in every endeavour.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

REQUEST FOR INVESTIGATION OF PRICE INCREASES BY SUPERMARKETS IN BRITISH COLUMBIA

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. In view of reports that in the past several days supermarkets in British Columbia have raised prices of items on the shelf in anticipation of cost increases—I refer, of course, to anticipated wage increases which are now unlikely to materialize because of the government's wage control program—will the government instruct the Anti-Inflation Board to investigate the situation immediately to ensure that prices in those supermarkets do not now exceed permissible levels?

Hon. Donald S. Macdonald (Minister of Finance): I am obliged to the hon. member for bringing this matter to my attention. I, in turn, will bring it to the attention of the Anti-Inflation Board.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

REQUEST FOR INQUIRY INTO MERCURY CONTENT OF ABITIBI FISH—MINISTER'S POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of the Environment.

Can she tell the House whether her department has undertaken thorough and serious inquiry with a view to determining the rate of mercury contained in the fish caught in northern Abitibi? Can she also tell us what steps have been taken with the native population of that area to prevent the occurrence of another Minamata in our area?

Hon. Jeanne Sauvé (Minister of the Environment): Yes, Mr. Speaker, we are currently conducting inquiries into the level of mercury in our rivers. Recently, because of the problems pointed out in northern Ontario and northern Quebec, we set up a task force which reexamined the situation and tried to establish how best mercury could be measured in our rivers and how the companies using mercury in their industrial processes stock those substances which can be toxic. In order to acquaint people with the situation, we have met the Indians; we have explained the problem to them and we gave them all the information that can be of use to them so that they can convey it to other Indians.

Mr. Laprise: Mr. Speaker, I would like to ask a supplementary. Could the minister tell us whether investigations have been made to trace back the eight tons of mercury which disappeared mysteriously from the Domtar warehouses in Lebel-sur-Quévillon?

Mrs. Sauvé: Mr. Speaker, this was found out because the department asked the companies concerned to give us reports on the quantities of mercury they bought. Thanks to these inquiries, we have been able to discover that this extremely volatile metal had disappeared. We do not know yet how. It is thought it must have evaporated, that drops of mercury might have been absorbed in the soil. In any case, it is a question of tremendous importance that I will be able to examine better once I have the contaminant act passed. This act gives me the right to obtain all relevant information to examine this matter more in depth.

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[*English*]

AGRICULTURE

REQUEST FOR STATEMENT ON EFFECT OF ANTI-INFLATION PROGRAM ON SECTORS OF INDUSTRY

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address a question to the Minister of Agriculture if I may. Could he inform the House what effects the so-called program of restraint the government announced in the first part of the week will have on agriculture especially in the area of marketing boards, the processing industry, the machinery industry, the fertilizer industry and also the feed manufacturing industry? Would he be prepared to outline briefly the likely effects of the program on these various sectors of agriculture?

Mr. Speaker: Order. Even if the minister were to attempt to answer that kind of question, I do not think the question period would be the time for him to go into such detail.

Oral Questions

THE CANADIAN ECONOMY

EFFECT OF EXEMPTION OF POSTAL WORKERS FROM WAGE GUIDELINES ON ANTI-INFLATION PROGRAM

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct a question to the Minister of Finance. Was the Postmaster General expressing government policy when he stated that postal workers are not subject to the 10 per cent guideline limitation? If this is the case, does it not seriously jeopardize the possibility of any co-operation such as the government is seeking in this restraint program?

Hon. Donald S. Macdonald (Minister of Finance): I listened with great care to what the Postmaster General did say. He did not say what the hon. member has attributed to him. He indicated that the postal workers would be subject to the guidelines as others would be, but he also indicated that the exception noted and referred to previously in the question period with respect to transitional contracts and the historical relationship between bargaining units would be of relevance and that this matter, once a contract is achieved, would be referred to the Anti-Inflation Board for judgment having regard to those criteria.

Mr. Epp: In the light of that answer I should like to ask the minister whether a further statement by the Postmaster General to the effect that he personally would make representations to the Anti-Inflation Board to get a higher percentage than 10 per cent does not seriously jeopardize the government's unanimity on the 10 per cent guideline?

Mr. Macdonald (Rosedale): As the House well knows, the Postmaster General is a great advocate of justice in all quarters and I would expect nothing less from him.

Some hon. Members: Hear, hear!

* * *

PUBLIC WORKS

SUGGESTION DEPARTMENT ENTER INTO CONTRACT FOR WASTE DISPOSAL

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Public Works. It is further to the controversial contract recently awarded for garbage collection by the City of Ottawa, one which calls for the successful tender to pick-up Government of Canada waste in the city—a very large job.

Some hon. Members: Oh, oh!

Mr. MacKay: Can the minister advise us whether his department will spend an additional $400,000 over a six-year period in order to have government waste picked up by Provincial Sanitation Services Limited, the successful tenderer, or whether he will consider entering into a separate contract between the Department of Public Works and one of the low bidders which would mean a saving of nearly half a million dollars over the next six years, a worthwhile and prudent undertaking, I submit, at this time?

[Mr. Speaker.]

● (1440)

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I cannot give a definitive answer to that now but I am grateful for the interesting suggestion.

* * *

UNEMPLOYMENT INSURANCE

INQUIRY AS TO AMENDMENTS TO LEGISLATION—REQUEST FOR EARLY CONSIDERATION OF BILL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration relating to unemployment insurance. In light of the fact that the pay out for the month of July this year is something like 60 per cent higher than at the same period last year, would the minister advise whether the amendments that he has brought before the House are satisfactory in terms of removing the disincentives which apparently the members of his cabinet believe exist; and in particular, is the minister seriously considering relating the time for collection of benefits to the time that a person is employed in the work force?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as the hon. member knows, there is a bill before the House and we intend to proceed with its consideration by parliament very shortly as the session resumes. With regard to any further amendments, I would remind the hon. member, as I have said before, that we consider it a most significant program, both in terms of its social and economic implications and in terms of cost. There is an ongoing, comprehensive review taking place which may bring forth other suggestions, and when a decision is made I will place the information before the hon. member.

Mr. Alexander: A supplementary question, Mr. Speaker. Notwithstanding all that verbiage the minister failed to answer the question. I should like to ask the government House leader whether, in light of the fact that the cost of unemployment insurance is nearing the $4 billion mark—something that we should question—the government House leader can indicate to us if there is any priority being given to this bill in order that we can delve into the whole matter and put the truth before the Canada people? Is there any priority here?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, there is a very high priority. I hope to have the opportunity of talking to my hon. friends the House leaders of the other parties about an allocation of time to enable us to deal with the bill which will be before us tomorrow regarding the economic measures and to combine them with the unemployment insurance and other bills that are part of the same general approach to restraint. I hope I can do this with the co-operation of all hon. members.

IMMIGRATION

REQUEST FOR DELAY IN REQUIRING VISITORS TO HAVE VISAS PENDING CONSIDERATION BY PARLIAMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Manpower and Immigration which is based on a speech he made recently. Can the minister assure us that no decision will be made about requiring visitors to Canada to have visas until parliament has had an opportunity to express itself on what many of us feel would be a very restrictive policy?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I welcome this question because it is important to clarify any erroneous impressions. The suggestion concerning visas is an option that has been talked about in public and before the committee. I have looked at the suggestion but no decision will be made about such major issues of policy until after the parliamentary committee reports, which I anticipate will be very shortly, in fact toward the end of this month.

* * *

BROADCASTING

REASON FOR EARLY START ON FRENCH LANGUAGE TELEVISION STATION FOR VANCOUVER

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Acting Minister of Communications. In view of the fact that the CRTC hearings will not be held in Vancouver until approximately February 3 regarding whether that city needs a French language television station, can the minister advise the House why the Canadian Broadcasting Corporation has already started to instal its transmitter for channel 26 on Mount Seymour?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I shall have to look into this question and give the hon. member a report.

* * *

THE CANADIAN ECONOMY

PRICE INCREASES BY SUPERMARKETS—MECHANISM FOR REFUNDS TO CONSUMERS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is somewhat supplementary to the question asked by the hon. member for Nickel Belt, and is directed to the Minister of Finance. It arises from the change in prices in supermarkets both in British Columbia and Ontario which apparently are anticipating wage increases that will not materialize as a result of the wage freeze. Provision is made in the white paper for refunds to purchasers who have been gouged. Can the minister advise the House whether we will see some mechanism for identifying those purchasers who have purchased goods which have been artificially inflated so that they can get a refund? In other words, how do you refund the price of a can of beans to people who have been gouged?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. member identifies what will be a very considerable problem in that there are a great many articles of small value exchanging hands over a period of time. It may be very difficult, following a subsequent order by the administrator, to identify a particular person who is entitled to a refund, but certainly every effort will be made to do that. In that kind of situation, where the purchaser cannot be identified, the amount of over-charging will then be forfeited to the crown.

SUGGESTED REPORTING PROVISION TO ENABLE REVIEW OF PRICE INCREASES BEFORE IMPLEMENTATION

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. In view of the fact that the white paper contains no proposals for telegraphing price increases—in other words, there is no provision that I can find for mandatory reporting or a review process of price increases—the situation that now exists in supermarkets will presumably continue to prevail after the legislation is passed. Is the minister now giving consideration to a mandatory reporting provision for all price increases so that the review mechanism can work prior to the increase occurring?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would invite the hon. member to examine the bill after it is given first reading. I would be glad to talk to him further about the procedures after he has had a chance of exploring the matter.

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AIRPORTS

PICKERING—ALLEGATION FAILURE TO CONSTRUCT WOULD FORCE PASSENGERS FLYING TORONTO TO VANCOUVER TO USE MIRABEL

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to address my question to the Minister of Transport. Perhaps I should start by offering my congratulations to him on his new portfolio. Was the minister correctly quoted in the press as saying that unless Pickering airport were built, Vancouver bound passengers out of Toronto would be forced to travel from Mirabel? Was the minister correctly reported as threatening that?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not think that is even a correct version of what the press said I said.

Some hon. Members: Oh, oh!

Mr. Lang: I did indicate in an interview on this very important question that there was a serious dilemma as to how to handle Toronto area passengers on long distance flights in a very few years time because of overloading of Malton's capacity, and that as a result there was no easy way of dealing with long haul traffic. I was specifically pointing out that short range facilities, such as the new STOL or train or bus, were really only adequate for the 18 per cent of the traffic that travels a relatively short dis-

tance, a two hour place journey, and not for the long haul. That led to the possibility that I thought that Toronto and the province of Ontario ought to know how they intend Torontonians to be handled in terms of travel in two or three years' time, or take responsibility for the inconvenience that would be imposed upon them.

Mr. Beatty: I have a supplementary question, Mr. Speaker. In light of the fact that the quotation of the Prime Minister at Mirabel to the effect that Mirabel airport would have Torontonians on their knees and the statements or threats made by the Minister of Transport against the people of southern Ontario have severely damaged relations between the government of Ontario and the government of Canada—

Some hon. Members: Question.

Mr. Beatty: —does the Minister of Transport intend to reopen negotiations with the government of Ontario at the earliest opportunity to try to get some sort of working relationship with that government to ensure that passengers from southern Ontario get fair and adequate treatment and are not subject to threats and blackmail from Ottawa?

Mr. Lang: Mr. Speaker, if the hon. member read an article that quoted certain statements, he will know, and I will repeat for him now, that I said that I did not think the Prime Minister said those words. But the message in terms of the problem for the people of the Toronto area is very clear on the facts. The same article indicated that I would also be very happy indeed at an early date to meet with the new Minister of Transport for the province of Ontario so that he could show me what plans to solve this problem they have in mind, since they changed from what had been their previous position, namely that a second airport in this area was indeed needed.

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PETRO-CANADA

LOCATION OF HEADQUARTERS—EFFECT OF ANTI-INFLATION PROGRAM ON DEVELOPMENT OF COMPANY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Prime Minister. Has the government advised Maurice Strong, the newly appointed head of Petro-Canada, that the headquarters of Petro-Can should be in Edmonton, which is a strategic location because it is both a government and an oil centre; and secondly, will the government's new restraint program have any further effect on the development of Petro-Can, the budget of which was cut last June?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the location of Petro-Canada, certain discussions have taken place between Mr. Strong, the minister for energy and myself. We will be interested in hearing if this is a representation by the opposition or just one by the hon. member to go to Edmonton, say, rather than to Calgary or some other city.

● (1450)

POSSIBILITY OF MR. STRONG MAKING REPRESENTATIONS TO OPEC COUNTRIES ON OIL PRICES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, the Prime Minister will receive representations in due course on that subject, but I want to ask him now, will the terms of reference for Mr. Strong's new job provide him with the authority to make representations to the OPEC leadership to keep oil prices from further escalations which will bring even more disorder into the world economy and also worsen Canada's balance of payments on oil, which will become critical by the end of this decade?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would refer to the debate in the House when the legislation was passed, he will see it is not in the nature of the legislation to have the president of Petro-Can make essentially political recommendations. The government and its ministers are particularly able to do that themselves.

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HOUSING

INVALIDITY OF NOVA SCOTIA HOME PURCHASERS TO GET $500 SUBSIDY BECAUSE OF STRIKE OF POWER CORPORATION EMPLOYEES—REQUEST FOR CONSIDERATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister in charge of housing and is related to a question posed yesterday regarding the possible extension of the $500 federal subsidy, the announcement of which I hope the minister will be making very shortly. In light of the fact that the Nova Scotia Power Corporation employees have been on strike for some time, as a result of which very few homeowners have been able to get service connections, and in view of the fact that all the other regulations probably will be eliminated from the $500 subsidy, can the minister give consideration to this very unique problem?

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker; I am giving consideration to that unique and rather unfortunate problem which exists in many areas across the country but as I said yesterday, I am concerned that the limited funds which are available are used to their maximum advantage. I am looking at such cases and I have to make up my mind very quickly on this. I will be making a statement shortly.

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BILINGUALISM

REQUEST FOR INDEPENDENT APPEAL BOARD IN CONNECTION WITH IMPLEMENTATION OF PROGRAM

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is directed to the Prime Minister. In the light of the apprehension across the country regarding the implementation of the second step of the bilingualism program within the civil service and within Crown agencies, would

he consider setting up an appeal tribunal so that civil servants seeking promotion or jobs within the civil service would have an independent board to which they could appeal from treatment by the present public service commission or the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the procedure set up under the law for the public service commission and the public servants themselves is one which we feel is adequate and fair. I do not know if the hon. member has cause to believe that the commission would act unfairly in any of these cases which have been provided for by the law. That is not our own opinion.

Mr. Horner: Believing in the truism that justice must always appear to be done and must always appear to be just, the public service commission hires and places civil servants within the civil service but the resolution that this House passed in 1973 was not incorporated in the law, and those same civil servants have no appeal to any independant body which could assert a complete decision as to whether or not their application was considered fairly. What I am asking is that the Prime Minister, who at one time taught law, relatively quickly recognize the point that there should appear to be fair treatment to all civil servants. Whether or not there is, they should have that right to appeal.

Mr. Trudeau: But, Mr. Speaker, the public service commission was set up by this parliament in order that it would be an independent body, independent of politics.

Mr. Horner: It is not now considered.

Mr. Trudeau: The hon. member says that it is not now considered. If he feels that the commission is breaking the law or if he feels that the commission is not independent, then he could make some proposals for amendment, but I do not think that every case of some dissatisfaction by a civil servant should be a cause to withdraw the independence or confidence from this commission or to set up a tribunal to judge its actions.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Horner: Just one quick—

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

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VETERANS AFFAIRS

PRISONERS OF WAR—DATE OF IMPLEMENTATION OF RECOMMENDATIONS OF COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. On July 29, the minister indicated that the recommendations of the Standing Committee on Veterans Affairs regarding Canadians who were prisoners of war both in Hong Kong and in Northwestern Europe were being given active consideration. Can he say whether a bill implementing these recommendations will be introduced shortly?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the report referred to by the hon. member is presently under consideration by the government.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the fact that there is a fear across the country that in view of the restraint program such a proposal by the committee or legislation covering prisoners of war might be delayed, can the minister assure the House that he has had consultation on this with the cabinet and that in due course we will see legislation to cover this very important subject.

Mr. MacDonald (Cardigan): Mr. Speaker, the way the question is phrased it could be answered in many ways. I see the day when we will have legislation.

An hon. Member: Go ahead. Just answer.

Mr. MacDonald (Cardigan): Do you want to answer the question or will I answer it.

An hon. Member: What about the by-election?

Mr. MacDonald (Cardigan): I am not scared of a by-election. Mr. Speaker, to answer the question of the last hon. member, I would say that when this goes through the proper process, which is the case at the moment, and the legislation is recommended, prepared and before the House, you will all know in due course.

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AIR TRANSPORT

BILINGUAL AIR TRAFFIC CONTROL COMMUNICATIONS—FAILURE OF COMMITTEE TO PRODUCE REPORT—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. The former Minister of Transport on September 10 established a committee to recommend a realistic policy regarding air-to-ground communications in one language. The Canadian Airline Pilots Association is a member of that committee and the pilots are going on strike on Saturday. Does this mean that the committee has failed to produce a unanimous report, and what steps does the minister intend to take to overcome this?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the committee did in the end decide that it could no longer make progress with the work it was doing and has therefore discontinued its operation. It had reached some form of agreement about certain procedures which would be acceptable but ended with quite different points of view about certain major issues. I have met separately with the pilots association and have assured them of our careful examination of the safety question involving the use of the French language in the five airports in the province of Quebec. I have assured them also that the

question of safety is the foremost one in considering this question.

With that understanding I regret therefore that they are going ahead with the strike just simply as a symbol of their concern about safety. I can assure all hon. members that we are all concerned about safety and that that is the foremost requirement.

ROUTINE PROCEEDINGS

ADMINISTRATION OF JUSTICE

TABLING OF TERMS OF REFERENCE AND MEMBERSHIP OF COMMITTEE ON THE OPERATION OF THE ABORTION

Hon. Ron Basford (Minister of Justice): Mr. Speaker, pursuant to Standing Order 41(2), I wish to lay upon the table of the House a document, in both official languages, containing the terms of reference and the membership of the Committee on the Operation of the Abortion Law which was appointed on September 26, 1975.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,532, 2,956, 2,957, 3,011, 3,030 and 3,071.

[*Text*]

INMATES IN PENAL INSTITUTIONS

Question No. 2,532—**Mr. Whiteway:**

1. For the year 1974, how much did one prisoner cost the government?

2. How many prisoners were in our penal institutions?

3. How many prisoners were (a) first (b) second (c) third (d) fourth offenders?

4. What was the average term for (a) first (b) second (c) third (d) fourth offenders?

Hon. Warren Allmand (Solicitor General): 1. $10,492—This figure is based on the average inmate population throughout the year and on the actual expenditures of the Canadian Penitentiary Service for the fiscal year 1973/74 increased by a depreciation of 2 per cent on buildings and 10 per cent on equipment.

2. Nine thousand one hundred thirty-two as of January 1, 1974.

3. (a) 6,284; (b) 2,287; (c) 499; (d) 62. These figures represent the number of terms an inmate was incarcerated within federal institutions since 1970 only (the date when the Inmate Statistical Information Section of the Canadian Penitentiary Service started collecting data on inmates). Statistics on commitments prior to 1970 are not available except for cases of parole violators admitted that year (1970) which were captured as second offenders (term). Therefore a first offender may not reflect the first time ever in a federal institution but the first time within a period of approximately four years. This also applies to second, third and fourth offenders.

4. (a) 2,041 days; (b) 1,939 days; (c) 1,695 days; (d) 1,307 days. In determining the average terms for the four categories above, it was necessary to exclude the number of inmates serving life sentences since the term of servitude is an unknown factor.

SURPLUS EGGS

Question No. 2,956—**Mr. Gray:**

How many surplus eggs of a quality originally adequate for table use have been sold by (a) CEMA (b) provincial egg marketing agencies at CEMA's request to Canadian breakers in each week from and after April 1, 1974 to date?

Hon. E. F. Whelan (Minister of Agriculture): CEMA advises that all eggs removed by it since April 1, 1974 were of a quality adequate for table use. All eggs removed in the period were disposed of as set out in answer to question 2,954. The volume sold to Canadian breakers between April 1, 1974 and July 15, 1975 inclusive would be the total removed in that period less the 1,023,730 boxes exported. CEMA policy requires it to promptly sell eggs removed. CEMA advises that currently removals in one province are from time to time moved to other provinces to meet demands of the table egg market. This usually occurs where eggs of a particular size are in active demand and in short supply in that province.

EGGS IN STORAGE

Question No. 2,957—**Mr. Gray:**

What were the number of eggs in storage in each province under the jurisdiction of (a) provincial egg marketing boards (b) CEMA during each week from and including April 1, 1974 to date?

Hon. E. F. Whelan (Minister of Agriculture): CEMA advises that the policy requires the selling of all eggs at time of purchase and any eggs in storage are held privately or to account of provincial board prior to arrangement with CEMA. CEMA does not have statistics on such storage programs but in terms of provincial boards removals are declared weekly as indicated in answer to question No. 2,954.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,011—**Mr. Huntington:**

Since 1968, has Mr. Peter D. Curry, President of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MR. JOHN HENDERSON MOORE

Question No. 3,030—**Mr. Huntington:**

Since 1968, has Mr. John Henderson Moore, Director of Bell Canada been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): Director, Canada Development Corporation Appointment by Governor in Council (see sections 4 and 5, CDC Act).

CANADIAN COAL TECHNOLOGY MISSION TO SOUTH AFRICA

Question No. 3,071—**Mr. Rodriguez:**

1. Was a recent visit made to South Africa by a coal technology mission in which members of the Department of Energy, Mines and Resources participated and, if so (a) what was the purpose of the visit (b) how many persons made the trip (c) what are their names and what positions do they hold in or outside the Department?

2. Did any private firms participate in the mission and, if so, what are their names?

3. (a) How much did the visit cost (b) who paid the cost of the mission?

4. How long was the mission in South Africa?

5. Is there to be a reciprocal visit to Canada by a South African coal technology mission?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. Yes. (a) To observe commercial scale conversion of coal to gaseous and liquid hydrocarbon products and, in particular, to learn details of South Africa's extended operational experience in manufacture of gasoline from coal. (b) Sixteen. (c) E. D. Jamieson, Senior Adviser—Coal, E. M. & R.; E. W. Humphrys, Senior Adviser—Electrical Energy, E. M. & R.; P. J. Read, Chief, Transportation and Marketing, Coal, E. M. & R. The remaining delegates represented provincial governments and private companies.

2. Yes. British Columbia Hydro-Electric Corporation, British Columbia Research, Calgary Power Company, Fluor Canada, Monmax H & G Services, Montreal Engineering, Shawinigan Engineering, Surveyer, Nenniger and Chenevert, TransCanada PipeLines. Also the governments of British Columbia, Ontario and Nova Scotia.

3. (a) The cost of the Mission to E. M. & R. was $8,947.88. (b) Each member of the Mission was responsible for his own travel to South Africa and living expenses. The Federal Government provided group surface transport within South Africa.

4. Eight working days.

5. None has been arranged and there was no formal agreement to do so.

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. J. J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 3059 and 3061 could be passed as orders for returns, these papers would be tabled immediately.

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

[*English*]

NAMES OF LAWYERS IN ONTARIO RETAINED BY FARM CREDIT CORPORATION

Question No. 3,059—**Mr. Beatty:**

1. What were the names and addresses of lawyers in Ontario given work by the Farm Credit Corporation in the fiscal year (a) 1973-74 (b) 1974-75?

2. For each lawyer, how many cases were handled?

3. In each case, what was the total amount of money paid to each individual in each fiscal year?

Return tabled.

NAMES OF SECURITY DIRECTORS OF FEDERAL PENITENTIARIES

Question No. 3,061—**Mr. Reynolds:**

1. (a) What are the names of all security directors of federal penitentiaries (b) what year did they begin working (c) what was their previous experience in fields of security?

2. (a) How many persons under the Commissioner are responsible for security operations (b) what are their names and titles (c) when did they begin to work in the penitentiary system (d) what was their previous experience in penitentiary security?

3. (a) What are the names of all directors in penitentiaries (b) what year did they begin to work for the penitentiary system (c) what were their previous assignments?

Return tabled.

Mr. Lambert (Edmonton West): What is the purpose?

Mr. Blais: The purpose is that the two questions, namely, questions Nos. 3059 and 3061, are very long and reading them would take an inordinate amount of the time of this House.

Mr. Crouse: Mr. Speaker, on June 20 I placed a very simple question on the order paper, No. 2833, which deals with the number of consultants who have been hired by the Department of Environment and the Department of Fisheries. To date that question has not been answered. I wonder how long it takes this government to answer a simple question of that nature.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Motions for Papers

MOTIONS FOR PAPERS

● (1500)

[*English*]

REVENUE DATA PERTAINING TO MOVEMENT OF GRAIN

Motion No. 48—**Mr. Mazankowski:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all requests made by provincial governments and producers' groups in connection with PC 1975-873 to establish an inquiry for the purpose of obtaining reliable cost and revenue data pertaining to the movement of grain.

Mr. J.-J. Blais (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 48 is acceptable to the government, subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

FEDERAL-PROVINCIAL HEALTH AND WELFARE MINISTERS CONFERENCE

Motion No. 50—**Mr. Alexander:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all documents, minutes and proceedings of meetings and terms of agreement between the federal and provincial governments attending the Federal-Provincial Health and Welfare Ministers Conference on April 30 and May 1, 1975.

Mr. J.-J. Blais (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, motion for the production of papers No. 50 is acceptable to the government only in so far as the documents which the Department of National Health and Welfare made public at the federal-provincial welfare ministers' conference on April 30 and May 1, 1975. Documents, the release of which might be detrimental to the future conduct of federal-provincial relations or the relations of provinces *inter se*, will not be tabled.

Mr. Speaker: Subject to those reservations or conditions, is it the pleasure of the House that motion No. 50 be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. Blais: I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed, from Tuesday, July 15, consideration of Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

[Mr. Speaker.]

Mr. Speaker: On the last day on which this bill was under consideration the hon. member for Edmonton West (Mr. Lambert) had the floor. There have been some preliminary discussions and arrangements about the scheduling of voting on these motions. A vote on motion No. 5 has already been deferred. The Chair has already indicated some misgivings about the procedural regularity of motions Nos. 6 and 24, and it was agreed that those two motions should be deferred until after all other motions have been debated.

This afternoon, in any event, the Chair has some misgivings about the building up of too many deferred votes. However, at this point perhaps the easiest procedure would be simply to return to the point where the hon. member for Edmonton West was addressing the House on motion No. 8. At the end of today's proceedings we might be able better to assess whether or not we are getting into a dangerous situation so far as the deferral of votes is concerned and whether this measure can come under the time allocation order when all questions must be put aside until tomorrow night.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, at the time of the adjournment of this debate it was indicated that there would be some discussions with the minister. I might say that these discussions have taken place and have been fruitful. The minister, I and my colleagues are satisfied with regard to the subamendment. In case Your Honour is particularly concerned about this, let me say that there are nine such subamendments on which consensus has been reached and on which there is agreement. The minister has some amendments and I am amending his amendments, therefore mine are subamendments.

In motion No. 8 the minister put in the words: "and is liable on conviction to imprisonment for five years". I propose to strike out those words and insert: "and is liable on conviction to a fine in the discretion of the court or to imprisonment for five years, or to both". Let me be very clear. I see that the minister has not removed the words "indictable offence". It is the effect of the word "indictable" that I question. Whether it is indictment or summary conviction, this is a decision that shall be taken by a public servant, a member of the Department of Justice or a member of the Department of the Attorney General as the case may be.

What I want to do is introduce discretion at the court level. As the minister indicated in his amendment, it was to be an indictable offence. That is fine; but the minister's amendment provided for a mandatory jail sentence. The indictable offence and the mandatory jail sentence are matters strictly for the consideration of an official: I object strenuously to this. It is my view that it is the court which must decide on the nature of the penalty. My subamendment to the minister's amendment, which he is prepared to accept, provides for a jail sentence as provided in his amendment, or provides for a fine, or provides for both a jail sentence and a fine. To that extent it is actually

a flexible expansion of the penalty. I am glad that the minister approves this subamendment, and I move:

That motion No. 8 be amended by striking out all the words following the word "following" and by substituting therefor the following: "liable on conviction to a fine in the discretion of the court or to imprisonment for five years, or to both".

[*Translation*]

I am very sorry, but I have no French copy. It is unforgivable, but under the circumstances I have not had time to get one.

● (1510)

[*English*]

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

An hon. Member: Explain.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I heard an hon. member say "Explain". I would say to the hon. member that the purpose of this amendment is to make clear in the legislation that when sentencing, the court has the discretion to impose a fine in lieu of or in addition to a jail sentence. The hon. member for Edmonton West (Mr. Lambert) has pointed out, quite rightly, in the debate on this motion that the criminal court has the discretion, under the Criminal Code, to impose a fine in lieu of imposing a jail sentence. For the benefit of the House I will read section 646(1) of the Criminal Code as follows:

[*Translation*]

646. (1) An accused who is convicted of an indictable offence punishable with imprisonment for five years or less may be fined in addition to or in lieu of any other punishment that is authorized, but an accused shall not be fined in lieu of imprisonment where the offence of which he is convicted is punishable by a minimum term of imprisonment.

[*English*]

However, I agree with the hon. member for Edmonton West that for greater certainty and to ensure that the court has guidance as to the intention of parliament, the bill should specify that a fine in an amount to be at the discretion of the court may be imposed in addition to or instead of a jail sentence. Therefore, I am prepared to accept such a motion and support it.

Some hon. Members: Hear, hear!

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I recall that when the committee which dealt with this bill considered the clause dealing with punishment, there seemed to be general agreement that we wanted to stiffen the punishment upon conviction under the various clauses of the bill. One of the things we noted when we considered the precedent of fines or punishment upon conviction was that the courts have been extremely lenient in the past with corporate individuals who have broken the law.

In committee, the minister admitted that we wanted to give the courts an indication that the intention of parliament is that the courts take a sterner line with corporations or corporate individuals who break the law. The minister has introduced amendments, which are listed in the order paper, wherein he clearly indicates "liable upon conviction to imprisonment for five years." What is happening now, in the amendments which the minister had placed on our desks today, is that he is giving the courts the discretion, on conviction, to impose a fine or imprisonment for five years, or both. In effect, we are back to the same old ball game: we have not indicated to the courts that we want them to take a very stern line with those who do things against the interests of consumers and in violation of the combines legislation passed by this House. I find that this is a watering-down process and it seems we are back where we were, with no changes.

I indicate at this time that I cannot support the amendment being proposed by the minister because I feel that it does nothing to indicate that parliament wants the courts to take a firm stand on these matters when passing sentence.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment to motion No. 8 moved by the hon. member for Edmonton West (Mr. Lambert). Is it the pleasure of the House to adopt the said motion? Will all those in favour please say yea?

Some hon. Members: Yes.

Mr. Speaker: Will all those opposed please say nay?

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Pursuant to Standing Order 75, division on this question is deferred. Therefore, pursuant to Standing Order 75, division on motion No. 8 also stands deferred.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 9.

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and the repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 15 by striking out lines 20 to 22 inclusive on page 28 thereof and substituting therefor the following:

"liable on conviction to imprisonment for five years."

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this is one of those situations where I think even the hon. member for Nickel Belt (Mr. Rodriguez) will find this is a rather ridiculous proposition. This provision deals with a conspiracy relating to professional and amateur sport. The offences here are technical, and frankly are of very little import, yet the penalty which is being prescribed on conviction of an indictable offence is "liable on conviction to imprisonment for five years." I think this clause goes from the sublime to the ridiculous. On one hand, the hon. member for Nickel Belt and his associates are in the van of those people crying out about conditions in the prisons and the unnecessary sending of people to prison, yet in his argument a moment ago, where a corporate entity is being sentenced to jail, according to his reasoning this is possible.

If we look at any use of, for example, a C-form with regard to amateur sport—and that is a very arguable

point—there are more people who will argue in favour of the rules and regulations concerning professional and amateur sport, yet we are being asked to determine that this is an indictable offence and that the penalty shall be imprisonment for up to five years. Then everybody has to go to jail.

Mr. Rodriguez: You put the blue collar workers in jail.

Mr. Lambert (Edmonton West): I see; it depends upon whether one has a white collar or a blue collar. I find extraordinary the preoccupation, the fixation and the phobia which the hon. member has for this so-called class distinction. He is the one who raises it. He is the one who persists in it. Other people are prepared to forget about it and bury it. It is only in that type of mentality that it exists.

I am much more interested in making it patently clear that the court, on conviction, shall have the option of fining the individual concerned or, if it is so flagrant that it merits it, imprisoning for up to five years, though I can conceive of practically no crime of that nature which would merit being sent to jail or being both sent to jail and fined.

● (1520)

The minister and others who are reasonable about these amendments have agreed that the combination of the amendment and the subamendment provides a clear indication to the court, within the terms of this act, what the penalties are, and so one does not have to go to an obscure section of the Criminal Code to find that the court would have power, in certain circumstances, to substitute a fine. I just wish to make the law that much simpler for everyone to understand so that we can have a little more certainty and clarification in it. I therefore move:

That motion No. 9 be amended by striking out all the words following the word "following" and by substituting therefor the following:

"liable on conviction to a fine in the discretion of the court or to imprisonment for five years, or to both."

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, having followed this bill through the whole process I am amazed that the Department of Consumer and Corporate Affairs has taken so long to bring it before parliament, considering all the expertise it had on hand to prepare the bill. We had the bill in committee; it was amended there and came to the floor of the House, and we have had amendments here. Here is one example. Now we are getting amendments handed to us which are making a mockery of a bill which, according to the minister, is supposed to be so important for the consumers of Canada. One would think all the studies and proper research would have been done by now, but at this stage of the game we find we are getting amendments to amendments to amendments. There is no way that I can accept this amendment. It is just a watering-down. I prefer motion No. 9 which is on the order paper in the minister's name.

We in this party do not want to fill the jails, but of course we must have punishment which is proper and commensurate with the crime committed. In this whole area of consumer protection and what they call competition policy, if one looks at the record one is struck with the leniency and mercy which overflows the hearts of the justices who pass sentence on those found guilty in the corporate sector. When we are dealing with the little woman who rips off the welfare department for $65 a week and may have obtained $700, we send her to jail. When a person rips off a few hundred dollars we put them in jail, but when we get the corporate sector limiting freedom of action and offering their services to the highest bidder, we find the Tories—and a perfect example is the hon. member for Edmonton West (Mr. Lambert)—running to their defence.

We do not have to look very far in the history of anti-combines legislation in this parliament to see who has put up the biggest lobby against any kind of legislation that would cut down the power of the corporations, the monopolies, those who would destroy what both old-line parties in this House hold up as free enterprise, as the capitalist system. Who is it who always wanted to monopolize and destroy that freedom? It is those who want to become more powerful, the large conglomerates, the large monopolies. Who has been their biggest ally? Those in the other place. This bill originated in the Senate and it has gone through the other place which is filled with the corporate directors of this country. The boardrooms of the nation are amply represented in the other place. Their mouthpieces stand in this House saying we should have this clause when we are dealing with a certain class of people.

We in this party want the law to be just, to apply equally to the rich and the poor. If we can send a woman on welfare to jail, surely when this corporate elite commits infractions against the system that they hold so dear, the free enterprise system, they ought to be sent to jail directly. I said before that we should look at the kind of punishment we are meting out. In committee the minister said that we have to telegraph to the courts that we are serious about this legislation, obviously leaving it wide open to the discretion of the courts, knowing that is the condition under which the courts levy punishment now.

This government has just brought down wage controls and they are telling the people there will be price controls. If they mean what they say in the white paper tabled yesterday and the bill that is to come on Friday, that the small consumer will have some protection, we cannot leave it to the discretion of the courts: we have to give specific guidance that we, the parliamentarians of this country, are serious about the direction in which we want to move against those who infringe upon the rights of Canadians. I urge my colleagues in the House to defeat this amendment and to support the minister's original amendment, motion No. 9.

[*Translation*]

Mr. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I listened attentively to the rhetoric of the hon. member for Nickel Belt (Mr. Rodriguez) and I want to remind him that the amendment moved by the hon. member for Edmonton West (Mr. Lambert) does not change anything at all in the legislation. It is a mere clarification. In other words, all he said applied under the previous amendment and still applies under this amendment. I did read earlier from the Criminal Code in relation to motion No. 8. Perhaps it might be useful to read it again because it is exactly the same thing as for motion

No. 9. Section 646.(1) of the Criminal Code states the following:

An accused who is convicted of an indictable offence punishable with imprisonment for five years or less may be fined in addition to or in lieu of any other punishment that is authorized—

So it is already quite clear in the legislation as introduced. The judge may either sentence the accused to a fine, or sentence him to jail, or sentence him to both. What the amendment of the hon. member for Edmonton West does is clarify the section in the Combines Investigation Act by specifying in a clear and explicit way what the Criminal Code says already. So I may listen to the words of the hon. member for Nickel Belt, he may shout even louder and debate that matter but it does not change anything in the substance as such, and I hope as he does that judges will understand that in the case of offences under the Combines Investigation Act parliament wants the courts to be harder. And already we have in that legislation enough indications to show that we are increasing the number of sentences and penalties and we want to indicate to the courts our hope that they will be harder. But it is merely a matter of wording, and that is why I have no objection to accepting the amendment put forward by the hon. member for Edmonton West.

● (1530)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I support the amendment moved by the hon. member for Edmonton West (Mr. Lambert). The minister suggested it changes nothing. I suggest that it defines the legislation more clearly and will lead to greater understanding. In communities like mine, businessmen and others involve themselves in amateur sports and with junior hockey clubs which at times may play in national leagues. They would be most perturbed to discover they are breaking the law, because that is what they could do if the bill were not amended.

Without the amendment they could find themselves in court and facing imprisonment for up to five years if found guilty of breaking the law. The penalties they would face for involving themselves in useful community activities would be severe indeed. Surely the five-year sentence should be reserved for the most flagrant breaches of the law. They might occur in connection with professional hockey, although I believe boxing is the sport to which these provisions might be most applicable. For these reasons I support the hon. member's amendment, as it is reasonable.

Mr. Deputy Speaker: Is the House ready for the question? The question is on the amendment moved by the hon. member for Edmonton West (Mr. Lambert) to motion No. 9. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the amendment to motion No. 9 stands deferred.

[*Translation*]

Mr. Ouellet: Mr. Speaker, if the House is agreeable to it, could we dispose of this series of motions dealing exclusively with penalties, since it is obvious, as was mentioned by the hon. member for Edmonton West (Mr. Lambert), that motions 8, 9, 12, 13, 14, 15, 19, 22 and 25 are all about the same thing, namely including the distinction whether it should be a fine or imprisonment.

Mr. Lambert (Edmonton West): It is not a question of contents but only of word change.

Mr. Deputy Speaker: Order, please. I wish to point out to the minister that when the debate started the Chair had already indicated it intended to group motions to which he has just referred into one comprehensive or continuous debate. I intended to proceed immediately to calling motion 12, and then motions: 13, 14, 15, 16, 17, 19, 22, 25. If the minister agrees, we shall avail ourselves of the consent already granted by the House and go back to motion 12, from which we shall proceed as rapidly as possible.

[*English*]

Is that agreed?

Mr. Lambert (Edmonton West): Mr. Speaker, that is fine.

Mr. Deputy Speaker: The House will now proceed to the consideration of motion No. 12 appearing in the name of the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

That Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be amended in Clause 18 by striking out lines 22 to 27 inclusive on page 32 thereof and substituting therefor the following:

"imprisonment for five years; or

(*b*) on summary conviction, to a fine not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to move an amendment to motion No. 12. The purpose of the amendment is precisely the same as that of the previous amendment. I need not repeat the arguments with regard to the purpose but would simply move, seconded by the hon. member for Malpeque (Mr. MacLean), that all the words in the minister's motion following the word "following" be struck out and that there be substituted the following:

a fine in the discretion of the court or to imprisonment for five years, or to both; or

(*b*) on summary conviction, to a fine of twenty-five thousand dollars or to imprisonment for one year, or to both.

I do not think that requires further clarification.

Mr. Deputy Speaker: Is the House ready for the question? The question is on the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on this amendment stands deferred.

The House will now proceed to consideration of motion No. 13 appearing in the name of the Minister of Consumer and Corporate Affairs.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 13.

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by striking out lines 21 to 26 inclusive on page 33 thereof and substituting therefor the following:

"imprisonment for five years; or

(*b*) on summary conviction, to a fine not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, what we hear this afternoon is reminiscent of certain scenes of "A Tale of Two Cities". In many chapters there is a description of the revolutionary scaffold in Paris, with Madame Defarge and her cronies alongside. The attitude of some hon. members to important clarifications of this bill strikes me as that of Madame Defarge, who sat there knitting and saying, "Off with their heads." That was the type of rough justice she felt should be dispensed to all and sundry.

● (1540)

This is, again, a straight clarification in the same terms as motions Nos. 11 and 12—a substitute for the minister's wording. I move, seconded by the hon. member for Malpeque (Mr. MacLean):

That motion No. 13 be amended by striking out all the words following the word "following" and by substituting therefor the following:

"a fine in the discretion of the court or to imprisonment for five years, or to both; or

(*b*) on summary conviction, to a fine of twenty-five thousand dollars or to imprisonment for one year, or to both."

Mr. Deputy Speaker: Shall the amendment carry?

Some hon. Members: Agreed.

Mr. Deputy Speaker: If hon. members do not say no, the Chair will accept the amendment.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

[*Translation*]

Mr. Deputy Speaker: Pursuant to the provisions of Standing Order 75(11), the recorded division on this amendment to motion No. 13 stands deferred.

[*English*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 14.

That Bill C-2, and act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by striking out lines 8 to 13 inclusive on page 35 thereof and substituting therefor the following:

"imprisonment for five years; or

(*b*) on summary conviction to a fine not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

[*Translation*]

Mr. Lambert (Edmonton West): Mr. Speaker, for the same grounds that I have indicated concerning the previous three motions, I move:

[*English*]

That motion No. 14 be amended by striking out all the words following the word "following" and by substituting therefor the following:

"a fine in the discretion of the court or to imprisonment for five years, or to both; or

(*b*) on summary conviction, to a fine of twenty-five thousand dollars or to imprisonment for one year, or to both."

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on this amendment to motion No. 14 stands deferred.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 14.

That Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be amended in Clause 18 by striking out lines 39 and 40 on page 35 and lines 1 to 4 inclusive on page 36 thereof and substituting therefor the following:

"imprisonment for five years; or

(b) on summary conviction to a fine not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as with the four preceding motions, I move, seconded by the hon. member for Malpèque (Mr. MacLean), the following subamendment: That, in the English text, all the words following the word "following" be stricken out and the following be substituted therefor:

[*English*]

That motion No. 15 be amended by striking out all the words following the word "following" and by substituting therefor the following:

"a fine in the discretion of the court or to imprisonment for five years, or to both; or

(b) on summary conviction, to a fine of twenty-five thousand dollars or to imprisonment for one year, or to both."

Mr. Deputy Speaker: Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75 the recorded division on this motion and on the amendment thereto stands deferred.

The House will now proceed to consideration of motion No. 16 appearing in the name of the Minister of Consumer and Corporate Affairs.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

That Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be amended in Clause 18 by striking out lines 15 to 17 inclusive on page 37 thereof and substituting therefor the following:

"not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

Hon. Marcel Lambert (Edmonton West): There is no amendment. I had made a number of suggestions in conformity with the minister's set of amendments. I am satisfied with the text of the amendment. There is therefore no need for us to move a clarifying subamendment.

Mr. Deputy Speaker: Shall I dispense from reading the motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: We will now proceed to consideration of motion No. 17 appearing in the name of the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

That Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be amended in Clause 18 by striking out lines 27 to 29 inclusive on page 37 thereof and substituting therefor the following:

"not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

Motion agreed to.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, again for the same reasons as for several preceding motions, I prepared a subamendment; I move, seconded by the hon. member for Malpèque (Mr. MacLean), that in the English text the following words be added after the word "following":

[*English*]

Mr. Deputy Speaker: We will skip motion No. 18 and go to motion No. 19.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

That Bill C-2, an Act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in Clause 18 by striking out lines 41 to 46 inclusive on page 38 thereof and substituting therefor the following:

"imprisonment for five years; or

(b) on summary conviction to a fine not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I move the same amendment:

That motion No. 19 be amended by striking out all the words following the word "following" and by substituting therefor the following:

"a fine in the discretion of the court or to imprisonment for five years, or to both; or

(b) on summary conviction, to a fine of twenty-five thousand dollars or to imprisonment for one year, or to both."

● (1550)

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the amendment? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on this amendment to motion No. 19 stands deferred.

Combines Investigation Act

[*Translation*]

The House will now proceed to consideration of motion No. 22 appearing in the name of the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moves:

That Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be amended in Clause 18 by striking out line 6 on page 42 thereof and substituting therefor the following:

"to imprisonment for five".

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on this motion I wish to propose the following amendment, seconded by my hon. friend from Malpeque (Mr. MacLean):

That motion No. 22 be amended by striking out all the words following the words "Clause 18" and by substituting therefor the following:

"by striking out lines 6 and 7 on page 42 thereof and by substituting therefor the following:

'to a fine in the discretion of the court or to imprisonment for five years, or to both.'"

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said amendment? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

[*Translation*]

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the amendment to motion No. 22 stands deferred.

[*English*]

The House will now proceed to motion No. 25, which is the last of the group.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 25.

That Bill C-2 be amended in clause 24 by striking out lines 6 to 11 inclusive on page 48 thereof and substituting therefor the following:

"imprisonment for five years; or

(*b*) on summary conviction to a fine not exceeding twenty-five thousand dollars or to imprisonment for one year, or to both."

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would propose an amendment, seconded by the hon. member for Prince George-Peace River (Mr. Oberle). It is:

That motion No. 25 be amended by striking out all the words following the word "following" and by substituting the following:

"a fine in the discretion of the court or to imprisonment for five years, or to both; or

(*b*) on summary conviction, to a fine of twenty-five thousand dollars or to imprisonment for one year, or to both."

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said amendment? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on this amendment to motion No. 25 stands deferred.

This completes the grouping on these motions of a similar type. If the House agrees, we can now proceed in an orderly manner to the consideration, one by one, of motions 10, 11, 18, 20, and 21. Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I will call motion No. 10 standing in the name of the hon. member for Nickel Belt (Mr. Rodriguez):

Motion No. 10.

That Bill C-2 be amended in clause 16 by

(*a*) striking out lines 18 to 22 inclusive at page 29, and substituting therefor "him elsewhere in Canada",

(*b*) striking out line 28 on page 29 and substituting therefor "to have such effect; or"

(*c*) adding immediately after line 28 on page 29, the following subsection:

"(*d*) engages in a policy of selling products as loss leaders, that is to say, not for the purpose of making a profit on that item, but for purposes of advertising or of attracting customers to his place of business in the hope of selling them other products,".

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the bill which the Minister of Consumer and Corporate Affairs (Mr. Ouellet) introduced to the House permits a practice called loss leadering. He is prepared to accept this practice where, he says, it is not used to destroy competition in a particular marketplace.

What is loss leadering? It is the practice of selling a particular product at a loss. What possible reason could a corporation or a wholesaler or a retailer have for engaging in it? What loss leadering does, in effect, is to eliminate competition, thus creating monopolies. It deceives people into believing that somehow or other they are getting a bargain and that more than the price is right. Unsuspecting consumers believe that by going into a store and buying, say, cigarettes below cost they are getting a bargain. However, experience has shown that the loss which the company is prepared to take on the cigarettes is covered by the higher prices of other items in the store. Needless to say, that kind or practice makes non-smokers, for example, pay for the benefit smokers get in getting a better deal on cigarettes. The same argument can be extrapolated to other items.

● (1600)

This parliament has legislated that predatory pricing practices are illegal, yet we have here a predatory pricing practice that will be allowed to continue provided, as the bill says, that it does not lessen competition, whatever that means. The experience that I have had of seeing perfectly integrated trans-national conglomerates in operation leads me to think that the question is: somehow or other can they show us that they are not lessening competition? I hope that by the time I have finished I will have demonstrated that this kind of practice has indeed lessened competition, or contributed greatly toward lessening competition, and has destroyed the very concepts that the two old established parties in this House have always supported, namely, a free enterprise, capitalist system.

As I have said before, the practice of loss leadering has been an anti-competitive one and has been recognized as such by governments. As a matter of fact, in our present anti-combines legislation loss leadering is recognized as a defence to a charge of refusal to deal. In other words, if a supplier refuses to sell a product to a retailer or wholesaler, he can use loss leadering as a defence to such refusal. He can argue that his products will be sold at a cheaper price, and that somehow or other this brings down the value of the name of those products. This is why loss leadering is recognized as a legitimate defence to a charge of refusal to deal.

In this particular legislation the government is concerned that the products of large corporations might be subject to loss leadering, and hence permits loss leadering to be a defence. However, if the big corporations suffer from this practice, consumers suffer even more. In 1952 the MacQuarrie committee set up to study the combines act recognized this when it said:

> . . . as to the "loss leader" device, the committee believes that it is a monopolistic practice which does not promote general welfare and therefore considers that it is not compatible with the public interest.

That was the comment of a committee, set up by the government to take a look at the combines legislation of this country, on the practice of loss leadering.

A study done on loss leadering in the 1950s by the combines act director of investigation and research concluded in 1955 that no action was necessary at that time to deal with loss leadering. But times have changed. We are not in the 1950s any more. The report of the director in 1955 had this to say:

> It is very difficult if not impossible to obtain and hold a monopoly position in a given retail market.

In 1973, corporate chain stores had over 55 per cent of the grocery sales in Canada, with the percentage in some areas reaching 52 per cent from two chains alone. In 1972, the George Weston group of companies had sales of approximately $3.5 billion while total Canadian food sales were only $8 billion. This is the age of vertical integration. No longer are these companies prepared to be small, corner grocery stores. They have realized that to become large and monopolistic increases their profits. It does not necessarily increase their efficiency of operation, but it does a great deal to increase their profits.

The 1955 report said that it was difficult to believe that any significant increase in the sales of private brands could be made under such competitive conditions, let alone increases so large that they would constitute a monopoly situation. Chain stores are now so powerful that they can restrict shelf space to companies to the extent of economic ruin. In areas where a supermarket is the only store for miles there is no fear of comparative shopping, and these chain stores make use of this situation. On March 4, 1955, the IGA chain, for example, felt strong enough, when major Canadian bakeries raised their prices, to raise the price of the private brands they carried while maintaining the lower price on their private house brands, clearly giving themselves a competitive advantage with a market position strong enough that they feared no competition.

Talking of the bakery industry, it is rather interesting to note that the baked goods industry of Ontario has attempted to have passed legislation prohibiting the advertising of bread. This is not because they want to sell less bread but because bread is such an effective loss leader for supermarkets. The result has been more and more failures in the baking industry over the years. Incidentally, in Quebec there is already a law against advertising bread; but surely a law against loss leadering would be more to the point.

At the present time, one of the largest wholesale tobacco operations in Canada belongs to the same ownership group as The Bay, a chain store operator, opening the way for even more loss leadering. Loss leadering in the tobacco industry has become an accepted business practice. At the wholesale level recently in northern Ontario, the National Grocers Company Limited made a practice of selling cigarettes to its customers for less than it was costing an independent wholesaler to purchase them. The independent company, which relied heavily on tobacco sales for its business, had a choice of either cutting its prices and going bankrupt or directing its energy in other directions. The larger company was more diversified in its products and as such would have no trouble simply shifting any loss on cigarettes to other areas of our grocery bills.

I and many other non-smokers object strenuously to being forced to subsidize the cigarette addictions of others in this way. Other wholesalers make a practice of loss leadering such items as butter, and of making these special savings even more available to those who deal with them exclusively.

The 1955 commission also suggested that the practice of selling articles below their cost was not prevalent in any of the lines of trade for which information was obtained by the inquiry. But the commission ignored the subject at the wholesale level and in other areas. Thus, most of Canada's distribution sector was ignored. The practice today is widespread and is systematically indulged in by chain supermarkets who loss leader a range of items each week. They change the selection of items regularly and by geographic region in order to avoid a charge of making a practice of it.

What has been the result of loss leadering and other restrictive business practices in Canada? It is possible to look at almost any industry in Canada over the last 20 years and see the effect of concentration and monopoly as it slowly destroys the fabric of our so-called free enterprise system. Where competition once was the case, we see

the following events taking place, and they serve to illustrate we have come a long way since 1952. In 1957 there were 2,557 bakeries in Canada of which approximately 2,400, or 94 per cent, had the owner working in the enterprise. By 1971 there were only 1,824 bakeries and 1,414, or 78 per cent, working owners. The situation in the dairy industry is even more startling over this period, with the total number of dairies declining by over 60 per cent. Since 1969 the number of chain stores, as a percentage of the total number of stores, has increased in every area, be it grocery and combination stores, general merchandise stores, hardware stores or jewellery or drug stores.

● (1610)

So what we have in this period of the monopolies is the destruction of what has been held to be hallowed by every member of this House, the free enterprise system. It would seem strange that a socialist should be standing in this House arguing the case of the so-called free enterprise system. It is rather interesting to note that those who represent the corporate sector—the hon. member for Edmonton West (Mr. Lambert) is a perfect example—will always argue, when these companies become more monopolistic, that the punishment should be cut down in respect of those who breach the law. We have heard this in the committee and elsewhere. They want this sidetracked.

One argument that is put forward is that the matter should go to the Supreme Court for a constitutional judgment before it is proclaimed and put into practice. That is the same that is played. Here we have a predatory pricing practice, that of loss leaders. I challenge any member of the House to say that loss leaders are not a predatory practice and that this is a practice which encourages free enterprise. I question that.

Mr. Lambert (Edmonton West): Do you and your wife not buy any loss leaders at all?

Mr. Rodriguez: By using loss leaders and other illegal practices, some companies have been able to drive others out of business or severely limit access to the market. In the 1950s, for example, when Lestoil came on the market, it did a booming business. The large soap companies replied with products of their own, with massive advertising budgets and sale prices which almost caused Lestoil to go bankrupt. As a result, according to David Ogilvy in his book "Confessions of an Advertising Man", a war chest of $10 million would now be required to launch a new brand in this area. At the wholesale level, in Canada in 1973, two major eastern Canadian integrated wholesaler-retailers engaged in a price war on tobacco products. The main result of this battle was the closure of two independent tobacco and confectionery distributors. While the case is apparently under investigation, nothing will ever replace the two lost wholesalers to the market.

But of all the areas in the economy, it is the chain food stores that have made the most effective and destructive use of loss leadering. The hon. member for Edmonton West talks about wage and price controls, yet they are prepared—

Mr. Lambert (Edmonton West): I said that you buy loss leaders every day.

[Mr. Rodriguez.]

Mr. Rodriguez: —to accept the injustices which are permitted by the use of loss leaders in an area which is very essential to the large mass of the Canadian people, the food industry. The hon. member knows full well that loss leaders are used extensively in the food business, and I call upon any member of this House to prove that this is ethical.

Mr. Lambert (Edmonton West): You buy them every day because you get a bargain.

Mr. Rodriguez: Where are the corner stores? Why is it necessary for one to drive 50 miles to a shopping centre where there is only one supermarket? Every time the corporate sector is challenged, you jump to their defence and hold their hands. It is in the area of the food stores that the greatest rip-off takes place and where there is the great predatory practice of loss leadering.

Today, corporate chains control 40 per cent of retail sales with only five firms controlling 40 per cent of the grocery sales. One corporate group in the food industry controls over 200 companies, while another owns 32 shopping centres where they are the only food store.

In the United States, a federal court has pointed out that if a chain store sets its prices below cost in one area, there is an almost irresistible conclusion that its prices in another area will be raised to compensate for the loss. The supreme court of California has held that the reason a large retailer offers merchandise at less than cost is for the purpose of deceiving its customers into believing that the seller is offering all his goods at low prices, when in fact the majority of his prices are at least as high as those prevailing generally in the trading area, and sometimes even higher. Prices may indeed be higher if we remember that supermarkets operate on a total gross margin for their store, irrespective of individual product prices. Thus, a customer saves nothing if he purchases at a store offering a loss leader, if any saving on that product is merely averaged over the rest of his food bill.

Consumers are urged to shop at several stores to obtain the best bargains in loss leaders at several stores, but supermarkets make sure that they are the only major food store in a particular shopping centre. Have you ever seen a shopping centre with two large supermarkets competing vigorously for the consumer's buck? I have not seen it in Sudbury, nor in any part of my riding. I am sure members of this House could not point out two competing supermarkets in the same plaza.

Supermarket chains get prime positions in shopping centres because they advertise most, make the most sales and thus can afford the most rent. Considering that often the parent companies of the supermarkets own the shopping centres anyway, even this ability to pay more rent may not be necessary to offer these chains their growing monopoly position. When a chain owns the only food store in a 70-store shopping centre, and when that chain has 20

per cent of Canadian grocery sales, it is doubtful that they need to sell any of their items below cost, while recovering their profits on other items, to get business.

As I mentioned before, in this whole matter of the plazas and the shopping centres we see only one supermarket. It is quite common to see two hardware stores, or perhaps two clothing stores. There may be several shoe stores. But the same kind of competition does not exist in respect of the supermarkets. What this has resulted in, and what the growth of these chains is based on, is not efficiency in the food industry but, rather, the elimination of independent competitors and suppliers and all middlemen. The George Weston empire is a perfect example. George Weston is integrated from top to bottom in respect of such things as transportation, wholesale outlets, retail outlets and even the bags in which to place the groceries. It is completely vertically integrated.

There are 13 brands of salmon on the market, all owned by George Weston. Can we imagine the competition that is going on among those brands for the consumer's buck? I will bet a dollar that the house brands at Loblaws are selling at the same level as those of a small, private entrepreneur who is producing salmon, if there is any left. I can understand that. Anyone who does not think we are into that kind of monopoly pricing must be living on the moon.

It seems to me that this results in a crisis for the Canadian consumer. One would think that the complete integration of a monopoly such as that of George Weston could result in some economy for the consumer. That is hardly the case, because once the chains have their monopoly positions guaranteed, they return to their first concern. Their first concern, of course, is to make profits. The Food Prices Review Board reported increases in net income for food processors and distributors of as much as 35 per cent for 1972-73. Is this the work of competition, or does it merely show the result of the destruction of smaller competitors through methods at best described as shoddy?

There are 38 states in the United States which have outlawed loss leadering, so I am not urging this House to embark upon any new or innovative kind of legislation. It is recognized in other jurisdictions that it is predatory pricing which ought to be outlawed. There are two victims of the practice of loss leadering: the first is the independent competitor, the small businessman who has been driven out of business, and the second is the consumer. It seems to me that I hear much talk from hon. members to my right about the importance of ensuring that the small businessman can continue to exist. But how can the small retailer in the food business exist side by side with George Weston? I suggest that that is impossible, especially when the large monopoly engages in predatory practices which are so common in Canada.

● (1620)

I have heard hon. members to my right point out that small business employs over 40 per cent of Canadians, holds over 7 per cent of all outstanding consumer credit, and sells over 50 per cent of all retail sales. They provide many services not offered by large chain stores, including such things as convenience, things on which it is hard to put a price or to feel a need for until they have been destroyed by the business practices of the large chains.

Much concern has been expressed about the predatory practice of loss leadering and the fact that it destroys the fibre of this nation and also builds up the power base. It puts too much economic power in the hands of far too few. Every year, chain stores control a larger percentage of the retail market in spite of the fact that it is questionable whether such economies of scale are necessary or even efficient. Every year between 1960 and 1972 another 1,200 or more small wholesale or retail traders went out of business. Why is that? The reason is that some of them were unable to compete, but more often they went out of business because they fell victim to the greed and unfair practices of the avaricious commercial chains which use such practices as loss leadering, one of the most hazardous practices used by chains to destroy the small and independent businessmen.

Small businessmen today earn less than doctors and even salesmen, and it is not surprising in this free enterprise system in Canada where 626 corporations account for over half the assets and profits earned.

Mr. Nystrom: Did you say "free enterprise"?

Mr. Rodriguez: When I speak about free enterprise, it is understood that I refer to the appellation used by the established parties in this House. The corporations to which I refer account for 40 per cent of total sales and 58 per cent of profits earned, with only 46 per cent of taxes payable. This so-called free enterprise has resulted in greater and greater monopoly control of the economy, control which the government has allowed and which it is now encouraging through such clauses as they permit to stand in the bill before us.

This bill has been hailed as a step in the right direction. If the minister really wants to step in the right direction, why does he not indicate support for this amendment? Surely it is worthy of his support. This bill is called the competition bill, but what does it do to provide competition, and competition among whom? Obviously, it will not provide competition among the large chain food stores. What it is doing is entrenching an antagonistic relationship between those who are selling goods and those who are purchasing, the consumer and the wholesale retailer.

It seems to me that our amendment is a good one. We have urged the House to support the elimination of this predatory pricing practice called loss leadering. We have taken a very constructive approach to this bill. We put forward 42 amendments in committee to try to strengthen the bill and to make it into something which will offer protection to consumers who must go out into the marketplace, not a marketplace taken over by competition and which provides adequate prices to consumers but into a monopoly market where the prices are set not by competition but, rather, by profit-making.

We hear the former minister of consumer and corporate affairs, the hon. member for Windsor West (Mr. Gray), speaking now as the great defender of the consumer, but when he was minister of consumer and corporate affairs he was as quiet as a mouse. Recently, he told a York University audience, when speaking on the competition policy in 1974, that a flexible approach similar to that used for other trade practices under Bill C-2 would be used for loss leadering to prevent the loss to consumers of a policy which might save them money. This policy will not save the consumer money. The clause which the minister has here permits loss leadering so long as it does not interfere with competition. It is not worth the paper it is written on.

The minister has indicated on several occasions that he wants competition in the marketplace and that this is what this bill is designed to do. The only way we can ensure competition is to support the kind of amendment we have put forward. It is also very interesting to note that the minister, in replying in the House to a question with respect to loss leadering, said that he was prepared to support an amendment. But this is the kind of clause he brings into Bill C-2. As a matter of fact, the subject was raised in the House on October 4, 1974, just over a year ago, when the minister said:

I think this is another example of the urgency to amend our competition act and I hope that the hon. member will persuade his colleagues on the other side to support my action.

This is the action he wants supported. He wants us to permit loss leadering so long as it does not endanger what he calls competition. I have tried to indicate to the House that we are permitting a monopolistic kind of approach by the large corporations and chain stores which are not interested in encouraging competition. In fact, what they are interested in is the monopoly of their particular sector. So long as this continues, loss leadering will be employed as a practice to obtain that end. The minister has only one course to follow, if he is really serious about ensuring competition and if he is really interested in providing protection for the consumer: he can support the amendment of this party with respect to loss leadering. It is a practice which should be outlawed in Canada. It does nothing for the efficiency of business and nothing to provide better prices for the consumer, even though it leads the consumer into thinking that he is getting a deal when in reality he is being shafted.

● (1630)

It seems to me that the remarks I have made this afternoon should have fully convinced hon. members that the amendment ought to be supported. I am reminded that I may have convinced reasonable members of this House, and of course all hon. members are reasonable, including the hon. member for Edmonton West. I am quite sure that when hon. members see the wisdom of this amendment, they will support it.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, the hon. member for Nickel Belt (Mr. Rodriguez) dealt only with the second part of his proposed amendment, so to be logical I will discuss the second part first and then turn to the first part of his amendment.

The arguments of the hon. member for Nickel Belt have concentrated on the increased share of the market which has gone in the past several years to the food chain stores. He appears to attribute this shift in consumer buying to loss leaders. The standing committee studying Bill C-2 spent considerable time listening to representations with regard to loss leader selling. The questioning by the members of that committee was aimed at trying to find concrete evidence that the loss leader has eliminated or reduced competition. As many hon. members know, this has been a subject of discussion from time to time since at least the 1930s, and particularly since the publication of the report of the MacQuarrie committee to study combines legislation in 1951.

That committee decided not to recommend the prohibition of loss leader selling, but suggested that a special study of it be made by the Restrictive Trade Practices Commission. The very extensive study of the commission which appeared in 1954 recommended against the introduction of such legislation. The Economic Council of Canada, in its interim report on competition policy in 1969, also found itself unwilling to recommend legislation against loss leader selling.

When Bill C-2 was first introduced, it proposed deletion of the so-called loss leader defence against a charge of resale price maintenance, which is to be found in section 38(5)(a) and (b) of the Combines Investigation Act. That defence has been reinstated in the amended version of Bill C-2 and is to be found in clause 38(9)(a) and (b). It is not believed that we should go further than that, at least for the present. It will be the subject of further consideration, however, in the context of phase two of the legislative revisions.

Whatever decision is finally made, the wording of the amendment before us brings out some of the problems in drafting legislation against loss leaders. For example, it is very difficult to design a statute which will enable the courts to judge how low a price must be in order to be a loss leader, and how to judge what the motives of the seller were. The courts have tended to interpret existing section 38(5)(a) to mean a price below direct acquisition cost to the seller. The difficulty is that those who call for prohibition of loss leader selling want a higher threshold price, but surely this is no time to adopt a general rule which would prohibit sellers from selling below some arbitrary price which more than covers their direct costs.

The hon. member for Nickel Belt did not deal with the first part of his motion. If I may, I will refer to it under paragraph (a) of motion No. 10. The effect of this part of the amendment would be to require every seller of a product in Canada to adopt a policy of selling his goods at a uniform price everywhere in Canada. It would have the effect of placing businesses in a strait-jacket in their effort to survive in a competitive market. Just to take one example, a manufacturer might decide to sell at a low price, which nevertheless made some contribution to overhead, on the west coast in order to meet intensive import competition from overseas in that area. He would be faced with the choice, under this proposal, of abandoning the western market or of lowering all his prices to a point at which he could not survive.

The two parts of this amendment proposed by the hon. member for Nickel Belt have some emotional impact. However, anyone who listened to the deliberations in committee and to the representations from all sectors surely concluded that the bill as it is now introduced adequately takes care of the situation in which we find ourselves at the present time, and we should not cloud the issue, particularly on this amendment, by a discussion of the increased share of the market which is presently being taken by the large food chains. I am sure this applies to members of the official opposition as well as to members of this party. Surely that is a subject for discussion in another place, and this particular amendment is not the way to handle that particular problem. On that basis, I suggest that this amendment should be defeated.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I would like to say a few words about the amendment proposed by the hon. member for Nickel Belt (Mr. Rodriguez). He always manages to become quite emotional

about his amendments. He rolls out words such as loss leadering, predatory pricing, trans-national corporations, multinational corporations, supermarkets, old-line parties, and small businessmen all under the same heading and does not come up with very much logic. I have listened to the hon. member for a number of years in this House and I have come to the conclusion that if he and his colleagues had their way they would strap the business community into an electric chair and ask them just one question, "Do you want AC or DC?" That is about the extent of the logic behind some of the amendments the hon. member proposes.

When we deal with the matter of loss leadering, as this amendment suggests, we are delving into a whole series of retail pricing practices, and we are on very dangerous ground when we get into that area. Considering the operation of small retailers, I am sure all of them, including the corner variety store, put on loss leaders at one time or another. The inference in the remarks of the hon. member is that large supermarkets, as he calls them, or large merchandises, as he calls them, buy certain products and decide to sell them at cost in order to attract other business into their stores. This may well be the case: they may make a decision along that line. But if we support this amendment, we put in jeopardy all the other retailing practices which retail stores and retail outlets use.

For instance, what can be done with Christmas cards left over after December 25? There is not a store in the country which does not sell them at a greatly reduced price. We could say that that is a loss leadering practice. We could say that that is making it difficult for small variety stores or gift shops which sell greeting cards. We could say the same thing at Hallowe'en with regard to candy which is left over and which is sold at give-away prices. We could say that is loss leadering and that it is working against anyone else in the candy business.

This line of reasoning can apply also to the haberdashery business where the haberdasher will buy a job lot of shirts or ties and in his retailing practise will calculate what his cost is and how many products he has to sell in order to recover his cost. Then from that point on, whatever he sells them for is profit. What does he do at this stage? He has a sale. If we accept this amendment, anybody who puts a sale on in a retail store, or any wholesaler who wants to clean out a line of merchandise in order to bring in a new line, could be brought in under the umbrella of loss leadering; somebody would accuse him of loss leadering.

● (1640)

I have a great deal of sympathy for the small retailer, Mr. Speaker, and I listened very carefully and read the briefs presented to us in the committee. Mainly they were talking about the sale of cigarettes and chocolate bars and were trying to cover the whole spectrum with those two lines. But the small corner store has many things working against it. It may be in a municipality where suddenly the street is made a one-way street and a lot of the traffic that would normally stop at the store goes the other way. Or a municipality may say there is to be no more parking on a particular street and the small retailer either has to buy a piece of property for a parking lot or move his store.

These are all hazards of the retailing business, and I have a great deal of sympathy for the people concerned. I think if we went along with this suggestion and accepted this amendment, however, we would be getting ourselves into a real mess. In order to police it, we would need three times the staff that the Department of Consumer and Corporate Affairs already has. I understand that when we come to phase two of the legislation we will consider loss leadering again, and I suggest that the hon. member has not delved deeply enough into the subject. He has looked at it superficially and does not realize all the implications of trying to legislate loss leaders.

What is selling at a loss? Everybody has a different way of calculating overhead. There are few accountants who will agree with a hardnosed businessman on how to calculate overhead. I have had many discussions on this subject with accountants. They say that you take the square foot area of the store, figure out heat, taxes and all fixed expenses and divide them into the area, which gives you the cost per square foot, and each square foot has to produce so many units of profits—each square foot must bear its share of overhead.

This is the socialist way, the pure way of looking at things; but the fellow running the retail store is an entrepreneur. He has to pay taxes, heat and air conditioning in summer, but he accepts those things and does not want to get mixed up with square footage so he will come up with a different calculation of overhead. The method of calculating profit and loss is therefore going to be different from one retailer to another, and I think this is dangerous ground for us to move into.

I agree with many of the things we have done in this legislation. I think we have taken some constructive steps. I hope we can get this bill finished up by tomorrow night and get on with the next phase, so that at least this section can go into the marketplace to see how it works. If we find there are inequities, we can bring back the legislation and amend it.

At this point, Mr. Speaker, I would hesitate to support an amendment of this type on the grounds that we are really doing something for the consumer. We are in a period of inflation, when consumers are calling for lower prices, yet here is a member of the socialist party telling us not to allow them to have lower prices. That type of reasoning does not get through to me at all.

An hon. Member: We will send your speech out.

Mr. Kempling: Send my speech out if you like; I am sure your people will enjoy reading it. The last time I spoke following the hon. member for Nickel Belt I received six letters of congratulation saying, "You are the first one who has stood up and knocked some sense into these socialist heads."

Some hon. Members: Hear, hear!

Mr. Leggatt: They were from his mother, his father and his daughter.

Mr. Kempling: They were all from Sudbury. I do not believe I can support this amendment, Mr. Speaker, and I think my colleagues in this party agree with me. I think it best to leave the legislation as it is. We will look at it again

when phase two is introduced and when we have had a chance to work with phase one for a while. If there is any real inequity we can look at it then and see if we can deal with it.

After we have discussed a section of a bill in great detail, I hesitate to wipe out all that discussion, all the briefs and testimony and just accept an amendment of this type, holus-bolus. That makes a mockery of the hearings and the witnesses. So, Mr. Speaker, I will not support the amendment.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I could not resist rising after hearing my good friend, the hon. member for Halton-Wentworth (Mr. Kempling), accuse us in this part of the House of somehow seeking higher prices for consumers by proposing a ban on loss leadering. That is a strange kind of logic.

If you follow the practice of loss leadering to its logical conclusion, the purpose is either to eliminate competition or to allocate a certain section of the market as a result of loss leadering, just as in the Lestoil case that the hon. member for Nickel Belt (Mr. Rodriguez) referred to. There are many other cases of loss leadering where a major corporation has such large financial resources that they can stand a loss for years and thus dominate and control the market. Once they have dominated and controlled the market, then they control the price.

This party is proposing this amendment for the purpose of lowering prices for consumers, not increasing them. The logic is perfectly clear: loss leadering results, in the long run, in higher, rather than lower, prices for consumers. Let me deal a little further with another point that the hon. member for Halton-Wentworth raised. He suggested that the hon. member for Nickel Belt had not studied the bill carefully enough. I suggest he should look at the proposed amendment. It does not defend loss leadering. I will read that portion of the amendment that seems appropriate:

—engages in a policy of selling products as loss leaders, that is to say, not for the purpose of making a profit on that item, but for purposes of advertising or of attracting customers to his place of business in the hope of selling them other products.

That is a little different from dumping or simply getting rid of something on which you are obviously never going to make a profit. But when it is a conspiracy against the consumer, it becomes an iniquitous practice. Consider, for example, the two oil companies, which conspire to sell gasoline as a loss leader in order to drive the small guy out of business.

● (1650)

Someone in this House should stand up for the small businessman. That is why my party supports the motion before the House. We support real competition, not the phony competition of giant corporations which has resulted in many loss leader practices in this country. I hope that the good sense and good judgment of the hon. member for Halton-Wentworth will prevail and that the House will show more good sense than it has up to now. We shall support this amendment.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question? The question is on motion No. 10 in the name of the hon. member for Nickel Belt (Mr. Rodriguez). All those in favour of the said motion will please say yea.

[Mr. Kempling.]

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section 11 of Standing Order 75, the recorded division on this motion stands deferred.

The House will now proceed to consider motion No. 11, in the name of the hon. member for Nickel Belt. Mr. Rodriguez, seconded by Mr. Symes, moves:

Motion No. 11.

That Bill C-2, An act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by

(*a*) striking out line 45 on page 30

(*b*) replacing the period (.) at line 14 on page 31 with a semi-colon (;); and

(*c*) adding immediately after line 14 on page 31 the following subsections:

"(*e*) make a representation to the public containing exaggerated price claims of a general nature, unless such claims are fully supported by evidence of a substantial nature;

(*f*) make a representation to the public that, either explicitly or implicitly, arouses or tends to arouse unwarranted expectations of product effectiveness;

(*g*) make a representation to the public containing claims for product effectiveness that are not fully supported by substantial evidence;

(*h*) make a representation to the public containing suggestions, either implicit or explicit, of product effectiveness in areas other than those in which the product is intended primarily to have effect;

(*i*) make a representation to the public that uses the word 'new', or any comparable word, to describe a product, unless it is a new product or one that has had a qualitative change in one or more of its active ingredients or parts, in which case the use of the word 'new' shall be limited to a period not exceeding six months;

(*j*) make a representation to the public that uses the word 'improved', or any comparable word, unless the change in an existing product is one that can be proven to be beneficial to the user, in which case the use of the word 'improved' shall be limited to a period not exceeding six months;

(*k*) make a representation to the public that ignores, or fails to describe fully, any undesirable side-effects that may result from the use of the product;

(*l*) and in all cases, products shall be sold on the basis of definable qualities and grades, where that is possible.".

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the purpose of the amendment we are considering is to expand areas of the bill covering false advertising. Time and again my party tried to move amendments in the committee: we proposed 42 amendments to strengthen the bill and make it effective. Ours was a constructive approach. People who criticize my party say that we tend to be critical but do not offer suggestions for improvement. We have tried to improve this bill. We want it to protect consumers as they

forage day after day in the marketplace. Our amendments seek to beef up the bill, as it were, to strengthen it and to put flesh on areas that we think are vague. One of those areas concerns false advertising.

Some of us have watched the warm relationship developing between the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and corporations which are to be governed under Bill C-2. It seems to some of us that the minister has been acting more like a minister of corporate affairs than a minister of consumer affairs. But let me not deal in generalities; let me deal with a specific incident which involved a company operating in Sudbury. The corporation is not exactly poor and the particular incident I shall tell you about was brought to the minister's attention by the provincial member for Sudbury, Mr. Bud Germa, who has alluded to the incident as the Sudbury fine ham-sausage caper.

Apparently, a Woolworth's store in Sudbury advertised for sale at $1.44 per pound a product which it called fine ham. On analysis, it turned out that the product was not fine ham; it was sausage and did not contain any ham at all. But this was not discovered until a great many letters had been written by various people. Under the Food and Drugs Act, Woolworth's could have been fined $500, or the person responsible subjected to a penalty of three months in jail. After Bill C-2 is passed, section 36 of the Combines Investigation Act will provide for firmer, stiffer penalties. The proposed amendment, I suggest, will make the intent of the law clear and result in action in cases of this kind.

What bothers me is the relationship between the minister and those who engage in false advertising. I want to know if the Minister of Consumer and Corporate Affairs is going to provide consumers with protection. After the provincial member of parliament brought the incident to the minister's attention, and after it was found that the ham advertised was not ham but sausage, the minister wrote Mr. Germa a letter which I think important enough to read into the record. He wrote:

> Officials of my department have now completed their investigation of the advertisement which you brought to my attention, concerning a product described as "Fine Ham" which appeared in the Sudbury *Star*, Monday, August 19, 1974.
>
> It has been confirmed that the product in question was actually pork sausage and not ham as described. Both manufacturer and retailer have been advised that the label and advertisement were in violation of section 5(1) of the Food and Drugs Act. Both have received official warnings.

This incident did not involve some small corner store; it involved Woolworth's, a powerful corporation. It had participated in false advertising. The false advertisement had run for many weeks and many customers had bought the so-called fine ham. But there was no talk of reimbursing them; nothing was said about compensating consumers who had bought under false pretences what they thought was fine ham but which turned to be nothing more than pork sausage. I use that example to illustrate the warm relationship between our minister of corporate affairs and the corporations this bill is supposed to regulate.

Other instances of false advertising could be alluded to. For example, how can we permit deodorant makers to run ads like the one run by Dial soap? It suggests that Dial anti-perspirant soap does two things for friendship. How does that help consumers who try to forage in the marketplace? How does that help them select the proper soap? I don't know. How can you claim that Dial soap does two things for friendship? Can you say that five-day deodorant pads are better than any spray? How can a company advertise that a particular product is better than any spray? My amendment would require them to justify their claims. The consumer would be fully aware of the proof verifying the claims made in the advertising. Does Right Guard, for example, have the best wetness fighter of any anti-perspirant spray? What is a wetness fighter? How can Right Guard justify that claim? When a company places an advertisement, it should provide the supporting evidence to prove their claim.

● (1700)

All sorts of products are being pushed. There is a toothpaste that will get you girlfriends, and hair creams that will make you more socially acceptable. Those claims are being made, yet there is not one piece of legislation to regulate the whole jungle of advertising. People are being pushed to purchase junk. They are led to expect certain things of the products they buy with their hard-earned money, but lo and behold, these products do not produce.

There is another prime example of false advertising which is in no way covered in this bill. For example, the Ford Motor Company made all sorts of representations to the public that implicitly or explicitly aroused unwarranted expectations with regard to product effectiveness. They claim that with a certain Ford car you can get 26 miles to the gallon. Obviously, those results were obtained in highway tests under conditions which no ordinary driver would encounter. However, people are led to believe that they will get 26 miles to the gallon only from that Ford product and not from any GM product. It is not made clear to the consumer that the tests were made in a controlled situation. The consumer spends his money with that expectation of performance, but it falls far short of that. As a matter of fact, the Ford Motor Company was taken to court in the United States under that country's false advertising legislation. They were found guilty of false advertising because they did not clearly point out that the 26 miles per gallon could only be obtained under controlled conditions.

Another area which falls far short with respect to consumer protection in relation to false advertising is the cosmetics industry. This party's amendment would demand that qualities not be claimed unless they can be proven. All sorts of claims are now being made for cosmetics. For example, certain companies advertise that their face creams will fight acne and make your skin smoother. There has been much investigation in this area. In fact, it has been proven that there is no difference between putting face creams or cooking oil on your face. Indeed, and this is very important, many face creams irritate acne or cause skin blemishes.

There are even cases where blindness has resulted from the use of cosmetics. A study made in Canada shows that 29 per cent of women over 18 years of age reported adverse or allergic reaction to cosmetics. If a certain side-effect may occur, that should be clearly indicated on the label and in any advertising. Any hazards should be clearly pointed out. For example, aspirin is a blood thinner. For people with certain kinds of heart ailments, that could be very harmful.

An hon. Member: We sell those to the Liberals.

Mr. Rodriguez: I would not want to do anything like that. They suffered enough of a heart seizure last night after losing the Hochelaga constituency.

The whole area of cosmetics advertising is very serious. The advertisements claim that these products will make women more beautiful and appealing. Well, they do that; but they can also do other things. For example, certain lipsticks can cause very serious damage to the lips. When applying eye shadow, if the tip of the brush gets into the eye, it could cause serious infection. Our amendment would place a serious responsibility on the sellers of these products to not only conform to fair approaches to advertising but also to health standards.

It is interesting to look at the penalties imposed on companies found guilty of false advertising. Woolworth's were given a slap on the hand. As I pointed out before, if a woman should rip off welfare for $65 a week, she would be put in jail and her children looked after by Children's Aid. If a fellow rips off the unemployment insurance, he receives a heavy fine. However, Woolworth's was only given a stern warning, a slap on the wrist. This is characteristic of our approach to false advertising.

At this time, when the push to sell products is so great, we should pay careful attention to legislation that will control advertising so that the consumer will be aware of what he is purchasing and aware of any side-effects of a particular product. It is only fair that all definable qualities should be described in an advertisement.

Mr. Lambert (Edmonton West): It should also apply to political advertising.

Mr. Rodriguez: I am glad the hon. member raised that, because it is a very important area. Perhaps the jails about which the hon. member was so concerned would be filled with members of parliament. It might be a good chance to see what they are like. What the hon. member is talking about might be dealt with under misleading advertising.

The amendments being put forward by my party are extremely important to the consumer. Advertising methods are becoming highly technical and the consumer is not trained to deal with this kind of mass advertising. We have to ensure proper protection for the consumer when he steps into the marketplace.

● (1710)

I know that the good sense which prevails in this House will encourage hon. members to support the amendments we have put forward. Think of what happened the other night in terms of wage and price controls. We know how easy it is to control wages. There is no problem at all. Falconbridge says to its workers, "We cannot pay more than 10 per cent; the government says so." When we consider providing protection for the consumer, on the other hand, all possible arguments will be put up. The minister will argue that too many bureaucrats would be required to provide the kind of protection we have in mind.

It seems to me that if we are serious about protecting the consumer against practices which unfairly separate him from his hard-earned money in times of inflation, some protection should be provided through the legislative process. The people who lost out as a result of the fine ham caper had no way of coming to grips with Woolworth's. Maybe a thousand people bought that fine ham and were ripped off. What is an individual to do? Can he take Woolworth's to court to get 60 cents back from them? I think our system has done much more than take 60 cents from that consumer: we have violated his trust. The company concerned has violated the trust of consumers, and that is a much more serious matter than taking 60 cents from a consumer.

The minister does not even allow class actions in this bill. He says we have to wait for the next bill, phase two. So the bill before us does not allow consumers to get together as a class in order to bring an action. I can only urge hon. members to use their good sense and the sense of fair play which I know they have, and support these amendments.

Mr. A. C. Abbott (Mississauga): Madam Speaker, in rising to discuss the motion put forward by the hon. member for Nickel Belt (Mr. Rodriguez) on behalf of his party, let me say, first of all, that it is difficult to deal with the remarks he made. He spent most of his time under the cover of what I would call a misleading representation that he would deal with the subject of motion No. 11. Instead, he told us at considerable length about the fine ham caper, and that, along with the other nonsense he spoke, could I think fairly be described as mainly boloney.

The motion itself seeks to make specific a series of offences under the general heading of misleading advertising. The problem is not that the hon. member has perhaps plumbed the depths of his imagination and come up with as many specific instances of misleading advertising as he can; the question is whether the consumer can be better protected by criminal law prohibitions of very specific practices or by well formulated general rules which can apply to new problems as they develop.

The government is not convinced that the benefits to be gained from specific enumeration of offences, such as those proposed, would be as important as the danger that these specific offences might be viewed as an exhaustive statement of the prohibited practices. The objective of dealing with misleading advertising might not be reached because the proposal would result in exempting other forms of false information from the purview of the act.

I do not think it should be forgotten, Madam Speaker, that the general prohibition of misleading advertising in the present Combines Investigation Act has produced very extensive jurisprudence which has applied a prohibition, stated in precise terms, to a very large number of specific representations. This process, however, has not restricted the application to new problem situations which may occur, and for the reasons I have advanced we oppose the amendment before us: we think it ill serves the objective set forward by the hon. member for Nickel Belt.

I was struck by the hon. member's remarks in an earlier lengthy speech which he made on loss leaders, in the course of which he suggested that stores in the food business were insufficiently competitive. He said there were not enough stores to provide adequate competition. It is interesting to note that the NDP government of Manitoba should have provided itself, at great expense, with a

study on food prices—I have forgotten the name of the author—which concluded that one of the causes of high food prices was excessive competition, the excessive number of large food stores in any given area.

These stores were found to be half full at any given time and provided too much floor space, too many people selling and too much merchandise, thereby necessitating a higher price for the products. I mention this point because I think it serves to illustrate that this, like most of the other remarks made by the hon. member to substantiate his amendments, is really unsubstantiated rubbish.

Some hon. Members: Hear, hear!

Mr. Abbott: He comes before the House and at excessive, wearisome length belabours his points. He brings up instances of his personal shopping habits. He recalls numerous instances in which he has been treated offensively. He takes up the time of the House in this way, and then he asks us to show the good sense which he believes prevails here by taking him seriously when he puts forward amendments. I would simply say that whatever the inherent merit of some of the proposals put forward by the NDP, it is more than offset by the amount of time-consuming drivel offered by hon. members who support them.

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, I was very pleased to second the amendment in the name of my hon. friend from Nickel Belt (Mr. Rodriguez) concerning false and misleading advertising. I was prompted to do so by the weakness of the existing clauses in the bill having to do with this serious problem.

I listened with interest to the observations of the hon. member for Mississauga (Mr. Abbott). Like many Liberals, he continues to hide his head in the sand, deriding the idea that misleading advertising presents any particular problem in this country. He and his friends do not listen to what people are saying, nor do they listen to the industry itself. For the information of the hon. member for Mississauga, and others, I intend to quote from a manual issued by the Canadian Advertising Advisory Board, an industry publication which reveals some rather surprising attitudes about advertising and also discloses a number of problems.

● (1720)

The first point I should make is that this industry body which is set up to regulate itself is not known to exist by consumers. Nevertheless, last year alone the Advertising Standards Council received over 1,826 complaints of all sorts about advertising, be it in newspapers, on television, etc., in this country. I was very much involved in the work of the broadcasting committee on the subject of misleading advertising and advertising directed toward children, and this House felt that it was a serious enough problem to pass a recommendation strengthening the broadcasting code on advertising directed at children. Yet the same problem, extended to a greater degree, exists for the adult population of this country.

There is a great deal of misleading and absolutely false advertising in Canada today. Anybody who takes the time to listen to commercials on television or on other media knows what I am talking about. But what is even more amazing is the attitude of many of the people in the industry itself. I was struck by a remarkable survey conducted in 1972, which appeared in the Advertising Advisory Board's own publication, of 140 marketing executives. The survey revealed that 50 per cent of the advertising executives who responded to the questionnaire indicated no real concern for truth in advertising. What is even more interesting is that 60 per cent of the respondents believed that their advertising is always truthful, whereas only 18 per cent believed that their leading competitors' advertising is always truthful. So even those in the advertising industry, the people who make up these ads, admit that they do not believe their opponents' ads are telling the truth or are in any way not misleading.

We have put forward a series of amendments that will strengthen this bill, a bill that needs a lot of strengthening since it is proposed by a Liberal government that has not been known for its protection of consumers. I would ask those on the backbenches who are once more groaning to listen closely to the first amendment. We seek to prohibit all representations to the public that contain exaggerated price claims of a general nature unless such claims are fully supported by substantial evidence. As I say, the advertising industry itself admits that a lot of exaggeration regarding price has been going on. For example, we often hear of a product that it is 10 per cent faster or that it produces 10 per cent more power. But 10 per cent more than what? That is never stated.

We also have the same kind of advertising claim regarding price. A certain product has the lowest price in town; that is often claimed to be a truism. But how do we know that? What kind of surveys have been done to back that claim? Where is the proof that the product advertised at the lowest price in town is being sold at the lowest price? Or where do we get proof that the new brand "X" will give us 20 per cent more than some other brand? These are the kinds of examples the bill does not deal with, things that we know are taking place. This is why we are proposing that it be an offence to make exaggerated claims of a general nature.

We are not saying that a manufacturer cannot honestly advertise his products. What we are saying is that if he is going to claim that his product is 10 per cent better, or is the cheapest in town, then he has to prove it. What could be more reasonable or honest for advertisers to comply with than this? We are putting forward a simple, straightforward amendment to cover a situation the minister does not cover in his legislation. I ask, where has the minister been? Has he never watched a television commercial or a newspaper ad that carries this kind of misleading claim?

This is why we say that this bill is a cosmetic one. There are so many areas of weakness, areas containing loopholes, that this bill will fail absolutely to correct. One example of the kind of thing we want to see stopped is exaggerated claims of a general nature that do not give to the consumer any exact or correct information. We are also concerned in a general way about the product itself, what it means to the consumer in terms of price, and how advertising relates to price.

I was intrigued by a program produced by the CTV television network, a documentary on cosmetics and the cosmetics industry in Canada, entitled "The Big Put On". I should like to refer to part of the transcript because I

think it illustrates very graphically what is wrong with the advertising industry in this country and why we need the amendments before the House today. With regard to lipstick, which is the biggest product in the cosmetics industry, the documentary program through its research found that a lipstick made from any one of over 400 standard formulas for lipstick came out of the factory ready for market at a cost of between 10 cents and 30 cents, depending on how fancy was the container. Then on its way to market it is taxed, distributed, advertised and then retailed, each handler taking another slice of the cost to the consumer. By the time it gets into a woman's purse, the price is seven to ten times the price at the factory pick-up door, and 100 times the cost of the material in the tube. This, of course, is a fad industry; we notice this from the kind of advertising that goes on in the cosmetics industry.

This advertising is, of course, done at great expense to the consumer. If, through advertising, the consumer has to pay more for the product, then the least he can expect is that it is honest and not misleading advertising. So far as product cost is concerned, there is 12 cents worth of processed cleansing cream in a standard four-ounce jar, and three cents of liquid make-up in a make-up container. The mascara in a tube of mascara runs from three cents to nine cents, depending on the formula; and there is about two cents worth of nail polish in the little bottle that can retail for about $2 or more.

What the advertising industry is doing for cosmetics in terms of making them more expensive to buy, products that are already overpriced, is another serious problem. The industry does not reveal how the companies are spending the money, or the side-effects of some of the productions they have produced. For example, it is almost impossible to estimate how much the industry spends to promote or advertise its products. One company spent 30 per cent of its sales dollars on advertising, and another spent nearly three-quarters of a million dollars last year to push a single anti-wrinkle cream. Canadian radio and television networks alone last year carried $27.5 million in cosmetics advertising. The seduction process is all glamour, because if you are selling glamour you have, of course, to be glamorous. We are concerned about this kind of cost and about the misleading aspects of advertising which push up the cost of the product to the consumer.

● (1730)

We are very concerned about the type of advertising and the fact that advertising often may cause someone to buy an item under false impressions. We have covered this in our second amendment. We would prohibit the making of representations to the public which would explicitly or implicitly arouse or intend to arouse unwarranted expectations in respect of a product's effectiveness.

We all know about the type of toothpaste advertising which refers to sex appeal. Where is the proof of that? Where is the evidence that somehow one would become more sexually appealing? There are other products, such as perfume and deodorants, in respect of which it is stated that if one uses these products, somehow one will capture a man, or a woman, as the case may be. We say that this kind of false and really silly advertising which insults our intelligence should not be on the public airways or in the newsprint media. If it should be fair advertising, then in some way perhaps we can reduce the tremendous cost of the advertising that is passed on to the consumer.

In our third amendment we want to avoid what has been going on in respect of all kinds of advertising today. Specifically, we wish to prohibit the kind of representations which make claims in respect of the effectiveness of a product which are not fully supported by substantial evidence. Again, when one looks at the kind of things we find in advertising today, one cannot help being struck by the claims that certain products will cleanse one's face better than any other, or that certain types of deodorant will protect one better than any other brand. Where are the tests to prove this? The advertiser does not produce the evidence in this regard and there is no government agency to see that these claims are in fact true.

We want to make sure that if a company states that its product will do such and such, that it has been proven to some responsible authority that this is the case. I cannot understand why any member on the other side of the House would suggest that such legislation should not be placed on the statute books of Canada. Are we serious about doing something to control such misleading advertising, or are we merely engaging in a public campaign to pass this bill, suggesting that something effective is being done when we know there are loopholes?

We also have a motion which would make it illegal to make a representation to the public containing suggestions either implicit or explicit about the effectiveness of a product in areas other than those in which the product is intended primarily to have an effect. Again, I need not go into great detail concerning the kind of products on the market today and the type of advertising which takes place. We have to pop a pill, now, for every little ache and pain. If we feel a little depressed, we take a tablet which fizzes in water, and somehow or other we are supposed to be better because of this. Again, we would like to see the proof in respect of the effectiveness of these products.

I was amazed, during the question period a few months ago, by a reply from the Minister of National Health and Welfare (Mr. Lalonde) to the effect that there are many new medical products or drugs on the market which have not been tested by his department, and his department only carries out random sampling. There are many instances of drugs being on the market which have potential hazardous side-effects. We rely solely on the companies to do the testing.

It seems to me it is time we had a more responsible agency, such as a government department, which would carry out the testing in order to ensure that the advertising contains the proof. We have also moved an amendment to the effect that any advertising which uses the word "new" or any comparable word would be illegal unless it is, in fact, a new product with a qualitative change or a change in respect of its active ingredients or parts. We want the use of the word "new" to be limited to a period of six months in respect of such advertising.

Many times I have watched commercials on television where statements have been made to the effect that Sanka coffee is new, or Maxwell House coffee is new. It seems that every few months there is something new about coffee. I should like to know what chemical, qualitative or substantive changes have taken place in respect of that

coffee, or in respect of soap products such as New Fab, or Duz, or Tide, that makes them new. Is a bit of dye or colouring added to make the coffee browner? The consumer has the right to know these things.

Mr. Saltsman: The price is new.

Mr. Symes: As my colleague says, the price is new: that is about all. If we are serious about having tough consumer laws in respect of misleading advertising, it seems to me that we must adopt these amendments. Unless we do this, the kind of misleading advertising we have will continue, to the detriment of the consumers in this country.

We are also concerned about advertisements which use the word "improved". We notice claims to the effect that the product somehow is improved. Has there been an improvement in the box so that the product pours more easily? Does the soap pour more easily? Is that what "improved" means? Or does it wash clothes better? Let us have a definition of words such as "new" and "improved". These are important things. The advertising industry obviously believe they are effective, because they continue to use them in their advertising. We say they should justify that it is "new" or "improved".

We also wish to make illegal, references to a product which ignore fully undesirable side-effects which may result from the use of the product. Again there are many instances of this. There are instances in which products have been used which people have found to have very damaging side-effects. My colleague, the hon. member for Nickel Belt, referred to the lipstick industry, the cosmetics industry, and some creams which compounds the problem rather than solve it. We say if a product has a side-effect such as that in respect of Noxzema, where the product sometimes aggravates an acne condition, this should be made clear on the package. It must be shown that the product may have such a dangerous side-effect. Again, the consumer needs this kind of protection in society when the corporate giants are flooding the market with products of this kind.

In our amendment we also say that in all cases products must be sold on the basis of definable qualities and grades applicable to these products, so we would know what are the ingredients and would be in a position to compare, as purchasers, one product against another, not only in terms of what is being said in the advertisement but also in terms of what is placed on the store shelf.

● (1740)

I think these amendments are sensible and straightforward. The industry itself admits there is a problem. In its own publications, the industry recommends some of the very things that my colleague, the hon. member for Nickel Belt, has recommended in his amendment. The industry has recommended voluntary guidelines many of which are along the lines that my colleague has proposed. That is why I say it is important that the House adopt these measures.

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, in looking at the amendments placed before the House by the hon. member for Nickel Belt (Mr. Rodriguez), I find it very difficult to understand why there is so much opposition to accepting them and I am particularly appalled by the rather childish display of temper by the hon. member for Mississauga (Mr. Abbott). Because he could not come up with an adequate critique of the amendment before the House, he resorted to the worst of all possible approaches, that is, a personal attack which had no relevance to what is going on in this debate.

In a case before a court, whether a civil or a criminal case, these amendments would be considered to be the most mild criteria. Could anyone go into a court of law and make a case on behalf of something, using the arguments which advertisers use? If any one did so, he would be thrown out of court and told it was not evidence and surely no one would believe that. We insist that evidence presented in a court of law be hard evidence. Why should we insist less that it be hard evidence when we are talking to consumers?

Are consumers not entitled to some kind of protection? Do they not count? Are they simply to be patsies for the commercial interests of this country to use them as they see fit, as people were before we developed rules of evidence in courts of law? Before that time people could arbitrarily say, "That is what I say. Take it or leave it. I do not want to have to present evidence. I have the power and authority, and therefore that is my evidence". That is really what is going on in our society, with advertising today.

I want to make this point before I go on. Not all advertising is bad advertising; there is some advertising which is very useful to the consumer. Advertising that gives the consumer a chance to compare prices, a chance to compare values, or that provides him with useful information about a product, information which can be defined, is good advertising. If we are selling gasoline, advertising that talks about the actual quality of the gasoline is of some use, rather than advertising that tells the consumer that she has a tiger in her tank. That is the kind of thing we are talking about.

When you look at most of the advertising we have in our society, you find that it is not designed to enlighten the consumer; it is designed to confuse the consumer. Every trick in the advertising book is used to obscure what is really of value or to obscure the information which the consumer requires about the product he is being asked to buy. I can understand, perhaps not in logic, why a capitalist government committed to the principles of capitalism—the ideological hang-up—does not want to touch this kind of section because it cuts right at the heart of the system to which we are objecting, the kind of phoniness, the kind of commercialism that is foisted on society, a phoniness which depends on advertising not being touched, because the minute you start to say that advertisers have to tell the truth about products, the whole commercial practice starts to break down and people will be forced to bring products to the market that have real relevance to the lives of ordinary people.

Therefore, to touch advertising is to touch the system itself and what it operates on, which is strictly B.S. That is what the system operates on and that is why we cannot bring in any rules. If you can define things as complicated as the things we have in civil and criminal law, surely you can define things about commercial practice and behavi-

our—it is not that difficult. It is not that we cannot define it; it is just that we do not want to. Surely it is not too much to ask that the advertiser present proof of what the ad says. People will say, "You are really being silly; you are asking too much. Advertising is not supposed to be true. We all know it is puffery. It has some relevance to the truth; it has a passing acquaintance with what they are talking about." Everybody admits and knows that it is a great big game, and the game is to sit in the boardrooms and pay fantastic salaries to these guys who come up with incredible schemes for misleading and confusing the public, or with cutsie ideas.

If somebody, 200 years from now, comes back and takes a look at the clips on television, he will think we have a race of women who are all ninnies; who are all either washing, smelling each other, or having their hair flying in the breeze, or else their heads stuck in an oven, crying because the oven is dirty. That is the kind of impression he will have of women in the twentieth century, because that is the way the advertiser treats women. If women have a grievance, then the one sector they should detest the most is the advertising industry for what it has done to them. Did you ever see a woman on television getting a man because she talks about Schopenhauer, poetry or George Bernard Shaw, or because she is kind, or intelligent, or pleasant, or artistic, or considerate, or politically involved? No; she must have nice teeth, because that is all you need, she must smell nice, and her hair must look great in the breeze when she is running through the fields talking to herself about something.

The other night on television the Prime Minister (Mr. Trudeau) was speaking about the kind of malaise that afflicts our society, and that we have built up expectations in our society which cannot be matched. Who builds up those expectations and who has created expectations that nobody can match because they are not real? That is really what we are talking about, and that is why this eminently sensible and intelligent amendment is not being accepted by the government. The reason is that is it subversive. My friend, the hon. member for Nickel Belt, is a real subversive; he undermines the phony system in which we live. They know this is what the amendment does. If you have to make the advertiser speak the truth, there goes the capitalist system—and they do not like it. They recognize that my colleague, the hon. member for Nickel Belt, is a dangerous radical who wants to change society, who wants a better society than we have now.

Mr. Lambert (Edmonton West): What makes you think so?

Mr. Saltsman: The advertisers play a great game. Let me play the devil's advocate for a moment. If we have an open representative of the advertising industry here, let him tell us what he would say. I suggest he would say, "Do you want us to be like Russia, where all you can buy is black shoes or green shoes and you have to take them or leave them, and where the only size you can buy is five sizes too large? Don't you want a free society? Don't you want everyone to be able to make a judgment on their own? Are you telling us, the advertisers, that everybody in this country is so stupid they cannot see through these things? Should the public not be entitled to make a free choice? Besides, even if what we say is not tangible but is a psychic thing, such as perfume which does not do all the things it says but makes a woman or a man—because today everybody uses it—feel better, it gives them a psychic uplift, then surely it is their money which they should be able to spend freely in a free society."

● (1750)

There is only one problem with that argument: it is not just the person who buys the product or the person who receives the psychic benefit he is paying for; everyone in society is paying for it whether intelligent or not. Everyone in society is paying for it whether they use that product or not. The reason is obvious. Advertising is a deductible expense, which means that the advertiser can deduct that money, and whether we buy that product or not, that results in a loss of revenue to the treasury which has to be made up by other people.

If this situation is to be corrected, and if the advertiser in fairness really believes that these are psychic benefits which people should be willing to be foolish about if they choose, fine, then advertising should not be deductible before tax. Remove it as a deductible item, and therefore let the entire cost of the advertising be added to the product so that the consumer can see what it really costs to bring the product into the market.

As matters now stand, everything which is advertised is subsidized almost 50 per cent because of that deductibility feature. That is objectionable. Not only are people spending money on these things and may be spending money on them foolishly—or perhaps that is their choice—but everyone else in society who has far better use for their money has to underwrite and subsidize that. I do not mind subsidizing the sick, the old, the poor or the disadvantaged of one kind or another—I think that in a moral society all of us are prepared to do that—but why should I underwrite the expensive tastes of the rich and those who want to buy expensive perfumes? That is, in fact, what I do; I underwrite the cost of everything that is advertised, whether useful or not, and I prefer not to do that.

I am not given the choice whether to subsidize, because it is in the Income Tax Act and the more money spent on advertising, the more can be deducted. One can be as stupid and foolish about advertising as one likes. The advertisers will admit that they themselves do not know how effective advertising is. They will tell the buyer that he has to advertise because his competitors advertise, and if the competitor advertises and the buyer does not, the buyer will lose a share of the market. At the same time they are telling us that advertising reduces cost. They cannot really prove that.

I had sympathy with something the hon. member for Mississauga said when he talked about supermarket competition in Manitoba; that an excess amount of competition can in fact raise prices. That is what happens with advertising. If one person alone advertises, obviously that person has a commercial advantage. But if one advertises, all the competitors will advertise. Where is the advantage? They do not even sell more of the product because there is always a limit to what the market will absorb at any time. The net effect is to raise the price of the product and to increase the amount of subsidy received from the treasury.

To get back to this amendment, I think it is important for the government to do one of two things: either to deal with misleading advertising, and therefore everyone in society who is subsidizing advertising will at least have some assurance that their money is not being used to rip people off, or we should be given an assurance that if we put the legislation through without amendment the government will use whatever influence it has to see that advertising is removed as a deductible item for income tax purposes.

In that way we can have it one way or the other. We either try to make advertising moral, in which case we are prepared to subsidize it through income tax, or we say we cannot make advertising moral and it is the kind of thing the consumer will simply have to guard against. If the consumer is going to be foolish, at least it will be only the consumer who buys that product who is foolish; it will not be society which has to be foolish and stupid too. We cannot have it both ways, but it seems that this government wants to have it both ways when it does not accept this kind of amendment. What can the government possibly find objectionable in a statement of this kind, that goods shall be sold by definable qualities? No one is asking that goods which cannot be defined be sold by definable qualities, but there are all kinds of goods in our society which can be defined if someone wants to go to the trouble of defining them.

We used to say the same thing about medicines. The drug companies argued for years that they had some magic formula; that some little old lady with a pointed black hat and a cauldron was working in their modern factory putting something into their product. The product was not capable of analysis; it could not be put on the package; it would be altogether wrong to do that. We ran into such a disaster with the drug industry that the government was forced to make it define what it had put into its drugs. The minute that was done we got generic drugs and we saw that sometimes there was no more than a little bit of soda added. Then there was real competition. People could see there was no magic and that they could go to the grocery store and buy a whole carton of it for a nickel, as against killing their pain for $5. That has been a very useful exercise. With regard to drugs, I suppose it was a question of life and death and there was some urgency on the part of the government to take measures. In addition, the government was spending more and more on health programs and it became urgent that it find some way of reducing costs in that area.

However, when it comes to the consumer the government feels that he or she does not cost them anything so there is no sense moving in that direction and doing something on behalf of the consumer. Besides, the government feels it would upset too many people in the system and change things too much. If the system has to depend on dishonesty, whether it is dishonesty in advertising or in commercial practices, then it is not worth keeping. That is why we have been opponents of that kind of system.

It is quite clear that the government should accept these amendments, which anyone can see are eminently practical and can be made to work. The government is saying that we cannot say something which cannot be proved. We are saying no more than a court of law would say. You cannot make a statement unless you have evidence to support that statement. That is not so much to ask. If this amendment is not accepted, the only conclusion we on this side can come to is that the government does not want honesty in advertising and that the legislation before us is not worth voting for.

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair. This House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 16, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

SUGGESTED DEFERRAL FOR INCOME TAX PURPOSES OF INTERIM PAYMENTS—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the announced objective of the Canadian Wheat Board to encourage producers to deliver grain to elevators as soon as possible this fall, in view of the announcement by the Canadian Wheat Board of an intended interim payment of $1.50 per bushel, and in view of the fact that it appears that the interim payment will not be subject to the same rules of tax deferral as in the case of an initial payment, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That this House direct the government to take the necessary steps to have the interim payment on grain, anticipated next month, put into the same category as the initial payment for tax deferral purposes, so that farmers delivering grain as requested by the Canadian Wheat Board will not be adversely affected from an income tax point of view.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSING

SUGGESTED REDUCTION OF MORTGAGE INTEREST RATES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to propose a motion dealing with an urgent and important issue.

Since it is urgent to give a new impetus to housing to eradicate unemployment and meet public needs and since we also have to increase at all costs our productivity and that the duty of any government is to make the life of the people as easy as possible, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House take the necessary means to reduce immediately the interest rates on mortgages in accordance with the recommendations of the white paper on control over inflation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

EXTERNAL AFFAIRS

COMPILING OF MEMOIRS OF CANADIAN HIGH COMMISSIONER BY STAFF IN LONDON—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion under the terms of Standing Order 43 arising out of the low morale in the Department of External Affairs, and in this case pertaining particularly to the shocking state of the Canadian High Commission in London, England. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Secretary of State for External Affairs advise the House of the number of persons on the staff of the Canadian High Commission in London, England who have at various times been involved with assisting the High Commissioner, the Hon. Paul Martin, in compiling his political memoirs at public expense, and specifically whether this total includes six persons, and further that the minister advise the House why it has now been necessary or justifiable to assign three permanent secretaries to Mr. Martin to devote almost full time toward compiling his political memoirs at public expense.

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

MANPOWER

POSSIBILITY OF INCREASING FUNDS FOR LOCAL INITIATIVES PROGRAM—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss a matter of extreme urgency which requires immediate attention.

In light of the recent publication of unemployment statistics which particularly affect Quebec, and since we are now in the process of choosing local initiatives programs related to this project, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the budgets earmarked for local initiatives programs be increased immediately in line with the higher unemployment rate, particularly in the province of Quebec.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

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FINANCE

SUGGESTED DEDUCTIBILITY FROM INCOME TAX OF MORTGAGE INTEREST ON SINGLE FAMILY DWELLINGS—MOTION UNDER S.O. 43

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

If Canadians who want to buy a house find it increasingly more difficult to do so, it is in part because of the rising prices of houses, but mainly because of the high interest rates on mortgage loans. Since the steps taken by the government have completely failed in this area, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House direct the Minister of Finance to come up with a policy which would allow owners of single family dwellings to deduct from their taxable income the amounts paid in interest on their mortgage loans. Such a policy would make it possible for low and middle income Canadians to buy a house, so as to live decently.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Speaker.]

ORAL QUESTION PERIOD

● (1410)

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSITION OF QUEBEC ON CONSTITUTIONALITY AND POSSIBILITY OF PROVINCIAL PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister with regard to the constitutional position of the government respecting its restraint program and the report in the press that the government of the province of Quebec plans to introduce legislation to establish its own system of control of prices and incomes in that province. Has the Prime Minister received any positive assurance from the premier of Quebec that he accepts the constitutional position adopted by the Prime Minister of Canada and expounded in this House in that regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I answered a similar question in the House a couple of days ago and indicated that the constitutional problem had been raised at the meeting I had with provincial premiers. They indicated interest in knowing if we had examined the constitutional aspects of it. I indicated to them that we had and we were confident that the bill, as it is drafted, is within the constitutional power of the government of Canada.

Mr. Stanfield: A supplementary question, Mr. Speaker. Has the premier of the province of Quebec indicated that he accepts the constitutional position outlined by the Prime Minister of Canada, and can the Prime Minister confirm or deny that the government of the province of Quebec does intend to establish its own system or its own program of controlling prices and incomes within that province?

Mr. Trudeau: On the first part of the question, Mr. Speaker, the premiers expressed various opinions on my statement about the constitutionality. None of them rejected our claim that we would have a bill which was clearly constitutional. Of course, they had not seen the bill by then so they reserved judgment until they had seen it. None of the premiers indicated that they were challenging or even questioning the right the federal government had to do what they themselves, the premiers, had urged us on at least two previous occasions—at the interprovincial meeting of St. John's and the other interprovincial meeting of premiers at Toronto the year before—when they urged the federal government to take strong leadership in the fight against inflation. I think the discussion I had at the meeting with them indicated they were generally happy that we are taking leadership. They wanted to examine the bill and project in more detail.

On the second part of the question, Mr. Speaker, I have no information as to the course the Quebec government will follow. Mr. Bourassa has spoken to me since the Monday meeting indicating he was examining various ways by which they could co-operate with the federal government in enforcing our strong anti-inflation stand.

Mr. Stanfield: A final supplementary. Has the Prime Minister received an assurance from the premier of Quebec that it is the intention of the province of Quebec to co-operate with the policy as outlined in the white paper? I ask this question with regard to the province of Quebec simply because of press reports to the contrary today.

Mr. Trudeau: The answer is clearly an unequivocal no-yes, Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Hees: Why don't you just compromise with "maybe"?

Mr. Diefenbaker: The truth will out!

Mr. Trudeau: It might be best to compromise by saying that the premiers will speak for themselves. I indicated previously what transpired at the private meeting we had. It was not up to me to say what position they had taken. I think I am free to say that the province of Quebec indicated a genuine willingness to co-operate with us in fighting inflation.

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NATIONAL DEFENCE

EFFECT OF ANTI-INFLATION PROGRAM ON CHOICE OF LONG RANGE PATROL AIRCRAFT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question to the Minister of National Defence is supplementary to the question of my leader. The minister stated on October 10, 1973 in a self-styled "new era" speech that:

National Defence will be increasing dramatically the amount of money being spent for new capital equipment.

Since 1968 we have been awaiting the choice of a new long range patrol aircraft only to see it confused with the question of a new interceptor and the restructuring of the Canadian air industry. Will the minister inform the House how the new program of restraint will affect the choice of the LRPA, if the choice has been made and, if so, the general terms of the contract?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, major decisions on procurement are before the cabinet at present in the form of the forces structure review and when the decisions have been reached they will be announced in the usual way.

CANADIAN CONTRIBUTION TO COLLECTIVE SECURITY OF EUROPE—ROLE OF CF-5

Mr. Allan B. McKinnon (Victoria): A supplementary question, Mr. Speaker. Yesterday the minister stated his agreement with the need "to play a useful part in the collective security of Europe." Will the minister inform the House how he intends to acquire the capability to make such a contribution, and does the minister expect to be taken seriously when he suggests that the CF-5 is being considered as an alternative to the purchase of the F-15 or F-16?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I said in Brussels and here, and the Prime Minister said before the NATO heads of government, that Canada intends to maintain the level of its contribution to the NATO alliance. The form in which we are to do that is being considered as part of the structure review to which I have just referred. There is no suggestion that the CF-5 would replace the F-15, the F-14 or some next generation fighter, but that does not mean we should not make use of the CF-5 which is an excellent ground-support tactical aircraft.

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AGRICULTURE

REQUEST FOR EXPLANATION OF INTENTION OF ANTI-INFLATION BOARD TO INVESTIGATE MARKETING BOARDS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Agriculture, who is just entering the chamber. In view of the buffoonery indulged in yesterday and statements made by Mr. Pepin and Mrs. Plumptre at a press conference yesterday which clearly indicate a bias against agricultural marketing boards and the intention of the anti-inflation review board to give top priority to the investigation of agricultural marketing boards, will the Minister of Agriculture tell the House if the government intends to allow the controls program to destroy the best mechanism which agricultural producers now have for ensuring that their prices are related to costs of production? If not, if that is not the government's intention, how does he interpret Mr. Pepin's statement of yesterday?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I said before and I say again, a well-run marketing board has nothing to fear from anyone.

An hon. Member: You don't know Beryl.

Mr. Benjamin: A supplementary question, Mr. Speaker. While I may agree with the Minister of Agriculture's remarks, that does not deny the fact that the threat has already been made against marketing boards. As there are now over 100 marketing boards, federal and provincial, in the country, boards which farmers worked for and desired for decades, can the minister explain how we are to reconcile Mr. Pepin's remarks with the statement on page 18 of the white paper which says that prices received by farmers and fishermen for their products are exempt from the guidelines?

Mr. Whelan: Mr. Speaker, all I know of Mr. Pepin's statements is what I read in the press. I will try to arrange a meeting with Mr. Pepin as soon as I can. I will hear what Mr. Pepin has to say, and I intend to meet with him as soon as possible. I am sure what the hon. member said, Mr. Speaker, is well recognized by many, namely, that marketing boards have a role to play in the pricing system, and that we support the concept of properly run marketing boards—

Some hon. Members: Oh, oh!

Mr. Whelan: These are closely related—

Mr. Hees: And so on, and so on.

Mr. Whelan: Mr. Speaker, I do not have to pay any more attention to John Turner than I paid before.

Some hon. Members: Oh, oh!

Mr. Whelan: With regard to the government's program to control inflation, if hon. members study what a marketing board does, they will find that it is probably more closely related to this program than any other business operation.

● (1420)

Mr. Benjamin: Mr. Speaker, I will direct my final supplementary question to the Prime Minister. I might say that I am very grateful for the remarks of the Minister of Agriculture about marketing boards. Yesterday Mr. Pepin referred to himself and Mrs. Plumptre as "two distinguished fools". I wonder if the Prime Minister could explain, in view of that ludicrous performance yesterday, what grounds Mr. Pepin might have for using the word "distinguished"?

Mr. Speaker: Order, please.

* * *

[*Translation*]

AIRPORTS

REQUEST FOR DETAILS OF SETTLEMENTS WITH EXPROPRIATED PARTIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the Minister of Transport.

Since 135 owners of land, plots of land, houses and other similar properties have not yet been granted a final settlement for the expropriations necessitated by the development of the Mirabel project, could the minister tell the House if the offers made to them will be increased by 10 per cent, as has been promised, in order to cover the increase in real estate values which has taken place since then? Moreover, could the minister say if those people will get $3,000 more as compensation for relocation costs and for the disadvantages to which their relocation has given rise?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to look at the exact timing of the various settlement attempts in the case of Mirabel and discuss the details of that with the hon. member.

[*Translation*]

Mr. Beaudoin: I should like to put a supplementary to the Minister of Finance.

Can he tell the House whether the government is willing to consider the possibility of giving all Mirabel expropriated parties an increase of 50 per cent over the initial offer, just as he has agreed to do in the case of the expropriated of the Forillon park?

[Mr. Whelan.]

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker.

* * *

[*English*]

TRADE

CONSULTANTS' CONTRACT TO RAY McLAREN—ALLEGED VIOLATION OF POLICY OF RESTRAINT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question was for the Minister of Industry, Trade and Commerce. I note he is not yet in his seat. Perhaps I can direct it to his parliamentary secretary. In view of the national call to restraint issued last Monday evening by the Prime Minister, and the notation in the white paper that the government plans a reduction in expenditures for private consultants, will the minister bring the spirit of these commitments to his own department and cancel the atrocious contract given to one Roy McLaren of Toronto?

An hon. Member: Here he is now.

Mr. Kempling: I will repeat my question to the minister. In view of the national call to restraint issued last Monday evening by the Prime Minister, and the notation in the white paper that the government plans a reduction in expenditures for private consultants, will the minister bring the spirit of these commitments to his own department and cancel the atrocious contract given to one Roy McLaren of Toronto?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I apologize to the hon. member for not having been in at the outset. I am not sure if the contract is atrocious. In fact, I personally have not seen it. However, I am having discussions this afternoon with my deputy minister with regard to this and other related matters. Perhaps I might be able to reply more fully later. As far as I know at this moment, there is no contract.

Mr. Kempling: A supplementary question. We understand this contract was foisted on the minister's department by Messrs. Pitfield and Davey. Will the minister agree that a contract which calls for a salary of $50,000 a year and $40,000 a year in non-accountable expenses is not in keeping with the call for restraint and the commitment to reduce expenditures?

Mr. Jamieson: I am sure the hon. gentleman would agree that he and I are the least likely people in this House on which anything could be foisted by anyone. I look at it in terms of whether I consider the gentleman's services to be of the value that is now being negotiated.

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ADMINISTRATION OF JUSTICE

POSITION OF GOVERNMENT ON PRIVATE BILL CONCERNING FIREARMS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice.

I compliment the government and him on that appointment and endorse the words—the eloquent words—used by the Prime Minister when he said: "He will bring freshness and vigour to the post."

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The minister having stated that he knows the dangers inherent in crime expansion, living as he does in Vancouver, I ask him, therefore, whether he would do something to expedite the private bill which I introduced to provide that any gun carrier committing an offence or endeavouring to commit one should, in addition to any other penalty, be subject to five years for possession of firearms.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I hope he will do this, because while the package for which we have been waiting for months does not seem to come, this would do something to meet the serious situation today when gun carriers are holding Canadians up to ransom everywhere.

Hon. Ron Basford (Minister of Justice): I would, first of all, thank the right hon. gentleman for his kind comments. I trust I can live up to the words of the Prime Minister he quoted. In answer to the question, I should like, if I might, to review the right hon. gentleman's bill to determine whether some action on this side should be taken with regard to it. I should like him to know that I share his concern about the present adequacy of gun laws; my colleague the Solicitor General and I have proposals which are presently before cabinet for consideration.

Mr. Diefenbaker: Since this question of a package has been under consideration for several months, I hope that this one suggestion, which will in no way interfere with the package and which would strike terror into the hearts of wrongdoers, will be permitted to be brought in and expedited through the House at the earliest moment.

Some hon. Members: Hear, hear!

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CANADIAN NATIONAL RAILWAYS

TREATMENT OF EMPLOYEES TAKING FRENCH LANGUAGE TRAINING—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport. It concerns a grievance which has been directed to my attention by a group of CNR employees at the passenger sales department in Winnipeg. The grievance refers to the manner in which the Official Languages Act is being applied. After receiving the maximum amount of French language training which the CNR allows them, and passing, they are not designated bilingual. These people are now being demoted, with loss of pay, or being laid off. Will the minister implement an immediate investigation into the unjust treatment accorded to these employees and inquire why they are not receiving the 12-month language training courses as laid down in the official languages resolution adopted by Parliament in June, 1973?

● (1430)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will, of course, be very glad to look into any matter that any hon. member brings to my attention in sufficient detail so that I can follow it up.

Mr. McKenzie: A supplementary question, Mr. Speaker. As these employees are not receiving the proper job protection as laid out in the 1973 resolution, will the minister recommend to the cabinet that the resolution be made law by becoming an official part of the Official Languages Act?

Mr. Lang: Mr. Speaker, I will not draw any conclusions until I have investigated the matter.

* * *

AGRICULTURE

REQUEST FOR AID TO COW-CALF OPERATORS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Agriculture. Would he advise the House whether a specific program is being considered and will be implemented under the provisions of the Agricultural Stabilization Act to provide some relief, and hopefully some stability, to the cow-calf operators of Canada who are in a very serious state of affairs at the present time?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have had some meetings with the provinces and the different producer organizations and I can say this—I am sure the hon. member is aware of it. Some organizations are suggesting that nothing be done; others are suggesting that many things be done. I received letters from the Canadian Federation of Agriculture yesterday telling us what they think should be done. We are considering all of these proposals at the present time, though I realize some of them are late.

Mr. Mazankowski: A supplementary question, Mr. Speaker. In view of the fact that in Edmonton on September 19 the Minister of Agriculture indicated that a cow-calf stabilization plan would be unveiled within two weeks, may I ask the minister why he has changed his position, or was he simply engaging in a game of hot air, or in a game of politics where he says one thing in one part of Canada and another thing in the House of Commons?

Mr. Whelan: Mr. Speaker, from what the hon. member has just said, certainly he should be the expert on hot air and politics, at least as far as I am concerned. I said that we were working on a program and that I hoped a proper program would be announced in due course. The hon. member knows full well that representations have been made by different people in the cattle industry. The Canadian Cattlemen's Association have been strongly suggesting that nothing be done, and also the Saskatchewan growers have practically said nothing should be done. If they are not representative, then let the hon. member say so here.

Mr. Mazankowski: A final supplementary question, Mr. Speaker. In view of the fact that the minister said in his

speech last night that he has assured the farmers that they will not be left holding the bag if the bottom drops out of the market for the product, would the minister not consider that the bottom has dropped out of the market so far as the cow-calf operators of Canada are concerned?

Mr. Whelan: Mr. Speaker, we are bound by the stabilization act to stabilize the price of beef, and we will do that.

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PUBLIC SERVICE

SUGGESTED LIMITATION OF HIRING BY CONTRACT—GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct my question to the President of the Treasury Board. In view of the statement in the white paper that the government intends to keep the growth of the public service in the coming year to 1.5 per cent, and in view of the fact that some years ago when the Prime Minister announced a freeze on the hiring of public servants a large number of contracts were made by various departments with employees who were not permanent members of the public service, so that departments could get the people they needed, may I ask the minister whether he has given consideration to limiting the number of people who can be hired under contract by government departments?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I can assure the hon. member that the department will not be allowed to do indirectly what it cannot do directly.

[*English*]

Mr. Orlikow: A supplementary question, Mr. Speaker. May I ask the minister whether, in line with the statement he has just made, he has put a limitation on the total amount of money allocated for payment of contracts to hire people in the coming year?

[*Translation*]

Mr. Chrétien: Mr. Speaker, every department's budget provides a certain amount for contracts, naturally; those amounts will certainly not be increased, in compliance with the policy announced by the government.

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MANPOWER

POSSIBILITY OF INCREASING FUNDS FOR LOCAL INITIATIVES PROGRAM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary for the President of the Treasury Board.

As the aim of the Local Initiatives Program is to invite the Canadian people to help create employment and fight effectively against unemployment; as much publicity was made to invite the population to submit LIP projects: as the public responded positively to the appeal of the Minister of Manpower and Immigration, as shown by the many projects submitted in Bellechasse, to mention only my constituency, which total $25 million, as only one fourth of the budget was earmarked for this purpose, can the minister tell the House whether additional supplies will be allocated to the Department of Manpower and Immigration to subsidize more projects and follow the guidelines of the white paper, aiming at fighting inflation and particularly unemployment?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, when the budget was brought down last June, the Minister of Finance had then provided for an additional sum of several million dollars for LIP projects this year, and as a matter of fact, more money will be available for those projects this year than last year. But if the hon. member wants to know if we are going to add more money to the budget brought down by the hon. member for Ottawa-Carleton last June, the answer is no.

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary of the President of the Treasury Board.

As I always have taken seriously the government's policies regarding inflation and fight against unemployment, in view of the disproportion existing in the same budget mentioned by the minister for job creation through the Local Initiatives Program and the amounts allocated to unemployed persons, i.e. through the Unemployment Insurance Commission, may I ask the minister if he would urge his cabinet colleagues to reconsider that disproportion in order to face the unemployment problem more efficiently by allocating enough additional money to fund more projects?

Mr. Chrétien: Mr. Speaker, as I already said, we will be able to accept more projects this year than last year, but it is impossible, at this moment, to increase the amounts in this area under the current circumstances.

* * *

[*English*]

BROADCASTING

REQUEST FOR ASSURANCE PRIME MINISTER NOT ALLOWED TO BROADCAST SPEECHES ON EVE OF ELECTIONS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Acting Minister of Communications. While the recent federal by-elections afforded good news for members on this side of the House, would the Acting Minister of Communications communicate with the head of the CBC, the CRTC and the relevant media bodies in this country and assure this House that in future no longer will the right hon. Prime Minister be accorded prime time on the eve of elections, be they general or by-elections, for so-called non-political speeches?

Hon. Otto E. Lang (Acting Minister of Communications): Mr. Speaker, it was perfectly clear at the time that the speech that was made was perfectly proper and in accordance with the rulings.

THE CANADIAN ECONOMY

POSSIBLE INVESTIGATION OF ATHLETES' SALARIES BY ANTI-INFLATION BOARD—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I direct my question to the Minister of Finance. Does the minister agree with Mr. Pepin that a first priority for the new Anti-Inflation Board should be an investigation of athletes' salaries?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have constituted the Anti-Inflation Board and will be looking for their active guidance in dealing with these questions. From my standpoint the principal areas of concern, initially at least, will be the areas of food and rents.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

POSSIBILITY OF AMENDING EFFECTIVE DATE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, may I direct my question to the Minister of Regional Economic Expansion, and I should like to congratulate the minister on his appointment to this very important post.

Some hon. Members: Hear, hear!

Mr. Howie: I attempted to give the minister notice of my question yesterday and I hope he received it. In view of the fact that the Regional Development Incentives Act applies only to companies achieving commercial production on or before December 31, 1976, and recognizing that the planning and implementation stages of new manufacturing projects often require 18 months or more to complete, does the government attach priority to the amendment of this act so that its effective date may be extended?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I should like to express my appreciation to the hon. member for his kind words and for the fact that yesterday he gave me notice of his intention to ask this question today. In fact, Mr. Speaker, I may say to the House and to the hon. member that the government has decided it will extend the present act for five years past 1976. I am looking forward to tabling this very short bill in the House as soon as possible which is designed to achieve this objective. I hope that the interest shown by hon. members in this place would indicate that I will receive strong support and quick passage of this bill so that we will achieve the goals set in this department.

* * *

● (1440)

REGIONAL ECONOMIC EXPANSION

GOVERNMENT POSITION ON FUNDING MULTIPLEX CORPORATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I should like to thank the minister for his very positive and wise answer which is well received. Is it the intention of the government to continue to fund the Multiplex Corporation in New Brunswick after December 31 of this year?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, this specific question is under review at the present time. There has been some discussion going on within the department about that popular subject and I hope I will be able to report on some decision in that regard soon.

* * *

OLYMPIC GAMES

NAME OF HEAD OF SECURITY OPERATION—REQUEST FOR ASSURANCE COSTS WILL NOT ESCALATE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the fact that a total force of nearly 10,000 men will be used for security purposes during next year's two-week Olympic games in Montreal, consisting of the RCMP, the Montreal and Quebec police forces, as well as 5,000 members of the armed forces, will the Solicitor General advise this House who in fact will be heading this mammoth security operation, and can he assure us at the same time that costs can be expected to remain at the originally projected figure of $90 million, particularly in these times of restraint?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the olympic security is under a co-ordinating unit which is directed by a representative of the Montreal urban community police force. The RCMP along with the Quebec provincial police and the armed forces are represented on the co-ordinating group, but the director, and I forget the man's name right now, is from the Montreal urban community police force.

As to the costs, I cannot give the hon. member the over-all figure, but I know that in respect of the RCMP for which I have responsibility we are doing our best to keep tight control of these expenditures.

POSSIBLE DIVERSION OF SECURITY FORCES BECAUSE OF BILLY GRAHAM CRUSADE

Mr. Otto Jelinek (High Park-Humber Valley): I have a supplementary question. Keeping in mind that the costs are related to direct grants from the federal government, and therefore are taxpayers' costs, and because of the fact that during the Olympic games Billy Graham is planning a mammoth crusade at one of the Olympic sites, will the minister inform the House whether he intends to divert security from existing areas for the Olympic games, add further security or, indeed, is it the government's intention to ask Mr. Graham to hold his crusade at some other time in order to prevent further potential dangers developing in an already potentially explosive situation which will exist in Montreal?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I read that Mr. Graham will give a talk or a series of talks during the Olympic games. I did not hear that he would give them on Olympic territory. I will check into that. I must say in respect of the costs that the costs for

which we are responsible are those relating to the RCMP. These are costs of equipment, men and facilities, and they do not relate to the other three groups involved in security.

* * *

PENITENTIARIES

PROPOSED INSTITUTION AT MORNA, NEW BRUNSWICK—GOVERNMENT POSITION IN VIEW OF OBJECTIONS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in view of the objection of the people of the Morna neighbourhood community to the choice of their area for the location of a minimum security institution, I should like to ask the Solicitor General whether he has abandoned plans for the construction of the institution at that location?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, not at this point because we have received approval in principle from the New Brunswick provincial government and from certain persons associated with the government of the city of Saint John. I understand there will be a further meeting of the council of the city of Saint John very shortly and we will await the decision that follows that meeting. If there is overwhelming objection to the site we will then consider withdrawing it.

* * *

PUBLIC SERVICE

DATE OF ORDER GRANTING PAY INCREASES TO EXECUTIVE CATEGORY—SUGGESTED RECONSIDERATION OF AMOUNT OF INCREASE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the fact that the President of the Treasury Board confirmed in the House on Tuesday that senior civil servants had received very large pay increases of up to $6,500 I should like to know whether the order granting all or part of the increases was actually signed on October 14, the day after the Prime Minister's televised statement?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, as I said recently, this decision was approved by the Cabinet in the month of July and the process of salary level selection went on during the following days. I do not know exactly when. The order to which the hon. member is referring was signed but I did not sign it myself at that time, I am sure of that. Besides, the agreement is for one year only. From April 1, 1976, the parties will be governed by the white paper guidelines. The holders of such positions will not be entitled to more than $2,400 a year.

[*English*]

Mr. Nystrom: Mr. Speaker, if the minister does not know whether he signed all the agreements, and in view of the new regulations, will he tell the House whether he has reconsidered some of the very large increases that have been recommended in order to obtain more equity within the public service of this country?

[Mr. Allmand.]

[*Translation*]

Mr. Chrétien: Mr. Speaker, this decision had been made by the Cabinet in the month of July. It is not possible to review it right now.

[*English*]

NEGOTIATIONS OF AIRCRAFT OPERATIONS GROUPS—NEED FOR INSTRUCTION ON WAGE GUIDELINES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, perhaps I might direct a supplementary question to the President of the Treasury Board which arises from a similar difficulty regarding the date of the signing of an agreement and the purport of the interpretation to be placed on page 20 of the white paper in respect of the matter of special considerations. Will the minister undertake to investigate the case presently before the conciliation board of the aircraft operation group of the Professional Institute of the Public Service, who are having some difficulty, as well as the chairman of the board, in interpreting page 20 and the provisions thereon? Perhaps he could give instructions to the Treasury Board negotiators on this matter so the chairman of the board can deal properly with this question that has been brought to the minister's attention.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I will inquire and if I can be useful in this matter, I will readily do so, but I do not know whether it is possible. Anyhow, if a collective agreement has been signed by that group, it could be reviewed by the board which we have just set up.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

REQUEST FOR ASSURANCE UNITED STATES WILL NOT DELAY CLEAN-UP PROGRAM FOR GREAT LAKES

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I have a question for the Minister of the Environment. Does she feel confident that her representations to the United States Government have been successful in assuring that the environmental program for the Great Lakes, through an agreement with the United States, will not be delayed, reduced or watered down in any way?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, during our talks with Mr. Kissinger, reference was made to the agreement which Canada signed with the United States to clean the Great Lakes. He renewed the assurances already given by Mr. Train that the United States would try once more to make up slippage in the allocation of funds under that agreement.

[*English*]

AIRPORTS

PICKERING—RETURN OF EXPROPRIATED LAND FOR AGRICULTURAL PURPOSES

Mr. Arnold Malone (Battle River): Mr. Speaker, now that the Pickering airport project is back in the black box I should like to ask the Minister of Transport whether any policy is being established regarding the use of agricultural land and, if so, when will that policy be forthcoming to indicate the kind of protection the federal government intends to give in respect of the utilization of agricultural lands?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as soon as we had heard that the province of Ontario was backing away from its previous participation in the airport project we indicated that for the present time the land we had acquired for airport purposes would be available for leasing back to the individuals to be put to use as soon as possible, and that is underway.

* * *

AGRICULTURE

DATE OF AVAILABILITY OF SOIL CLASSIFICATION MAPS

Mr. Arnold Malone (Battle River): Mr. Speaker, I would direct my supplementary question to the Minister of Agriculture. When will the soil classification maps for Canada which were promised to soil scientists four years ago, be available, having regard to the fact that no sensible soil utilization plans can be developed until Canada has these maps available to soil scientists in the country.

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is not a matter of any promises having been made four years ago. I will certainly check on the position that this project holds and let the hon. member know.

COMPATIBILITY OF CONTROLS ON MARKETING BOARDS AND EXEMPTING FARM PRICES—GOVERNMENT POSITION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture and it relates to the same subject matter as the question put to him by the hon. member for Regina-Lake Centre. My question is simply this: is it the minister's position that the principle of exempting prices at the farm gate from price controls is compatible with the principle of subjecting farm marketing board prices to such controls? In other words, is it the minister's opinion that exempting prices at the farm gate is compatible with the imposition of controls on the marketing boards? Can the two work together?

Hon. E. F. Whelan (Minister of Agriculture): I want to say first and foremost that I do not use the term "farm gate". I do not think it is practical because farm prices are much farther afield than that. I do say that what the marketing boards are doing is compatible with the policy under the anti-inflation program which we are trying to adopt at present.

VETERANS AFFAIRS

PROPOSED CAMP HILL COMPLEX AT HALIFAX—DATE OF TENDER CALL

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Veterans Affairs. Is it still the intention of the government to proceed with the much needed building of Camp Hill veterans complex in Halifax this fall and, if so, approximately when will the tenders be called?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the question asked by the hon. member has been discussed by the provincial government of Nova Scotia and we are awaiting their views on this very important subject.

Mr. McCleave: Ten o'clock, Mr. Speaker.

* * *

CONSUMER AFFAIRS

REQUEST FOR ACTION TO PREVENT SHORTAGE OF HOME CANNING SUPPLIES

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In the light of the minister's strong anti-inflation speech on Tuesday, will he undertake now to designate a specific section of his department to monitor the supply and delivery of home canning supplies for next year to prevent a recurrence in 1976 of the shortages that have developed in the last three years which have prevented many Canadians from fighting inflation as effectively as they wish to do?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, representatives of the companies concerned have met with officials of my department and that of Industry, Trade and Commerce. The meetings have been fruitful and I believe that not only has one part of the problem been solved this year but measures are taken to avoid any future repetition of last year's and this year's experience.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSED ABANDONMENT OF LIVERPOOL TO YARMOUTH SERVICE—REQUEST FOR INVESTIGATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport, but first I would like to congratulate him on his appointment to his new portfolio. The Canadian National Railways have requested permission from the Canadian Transport Commission to discontinue rail service between Liverpool, Nova Scotia and Yarmouth, Nova Scotia. In light of the fact that this is the only CNR connecting link between Halifax and Yarmouth which services our export trade from the South Shore with the New England states and

since this action will seriously affect industry, large and small, along the South Shore of Nova Scotia, will the minister investigate this request by the CNR in the hope that this rail service will be continued in the area?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will take note of the hon. member's representation and look into it.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

POSSIBILITY OF FEDERAL COMMISSION TO REPLACE QUEBEC CRIME COMMISSION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Justice and also wish him every success in his duties.

Now that the government has decided to allege before the Supreme Court that Quebec's crime commission, with whom the Royal Canadian Mounted Police and officials of the Department of Justice and that of the Solicitor General of Canada have cooperated for the last three years, sat and is sitting illegally, could the minister tell the House whether, in the event the Supreme Court agrees with that belated and astonishing allegation, he would be prepared to recommend the establishment of a federal inquiry commission on organized crime throughout the country to carry on the work of the Quebec commission?

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, our intervention in this matter was only at the level of the Supreme Court of Canada where, I think, the Attorney General of Canada is expected to intervene. I have indicated that in the event that the position put forward by the Attorney General is the correct one, I am ready, willing and eager to discuss with the minister of justice of the province of Quebec alternatives to make the kind of inquiry under question properly and constitutionally well based.

[*Translation*]

KNOWLEDGE OF MINISTER OF PROCEEDINGS BEFORE QUEBEC CRIME COMMISSION WHEN FEDERAL GOVERNMENT INTERVENED

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a supplementary.

Can the minister confirm to the House that, at the time of his intervention in the inquiry on organized crime, the inquirers had already heard, in camera, and intended to hear publicly, a testimony involving well-known political organizers, members of a patronage system relating specially to the Loto-Quebec concessions and the granting of licences from the Quebec Liquor Board?

[Mr. Crouse.]

[*English*]

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker.

THE CANADIAN ECONOMY

FREEZING OF DIVIDEND PAYMENTS—GOVERNMENT INTENTIONS WITH REGARD TO DIVIDENDS IN EXCESS OF LIMIT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of Finance. Under the recently published anti-inflationary guidelines as they appear on page 24 of the white paper it appears the dividend payments are to be frozen at last year's level. Aside from wondering why dividends should not be subject to the same 10 per cent guidelines and other relevant guidelines as other forms of compensation, especially for the elderly who had the good sense to look after their advancing years, I am moved to ask the minister whether this means that company earnings are henceforth to be confiscated by the Crown should those earnings surpass the limits permitted under the guidelines.

Hon. Donald S. Macdonald (Minister of Finance): The hon. gentleman will be able to examine the procedural nature of this, but in general terms we feel that with regard to corporate dividends as with regard to certain other types of income, for example corporate profits, to put them at the level at which they have been in recent years is not doing them an injustice. We would be arriving at an agreement with all sectors of the community if it could be made clear that those who are owners of such property would be sharing in the restraint program.

* * *

ENVIRONMENTAL AFFAIRS

DATE OF SIGNING OF OKANAGAN WATER BASIN AGREEMENT

Mr. G. H. Whittaker (Okanagan Boundary): My Speaker, my question is for the Minister of the Environment. In view of the promise that the minister made when she was visiting the Okanagan in mid August that she would sign the Okanagan water basin cost sharing agreement within two weeks, I would ask her now when she is going to sign it?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I did not promise to sign it within two weeks. I said I was expecting it could be signed within two weeks.

Some hon. Members: Oh, oh!

Mrs. Sauvé: I understand there are still some problems and it will be signed shortly.

Mr. McCain: Mr. Speaker, I rise on a question of privilege. I think the answer to my question by the Solicitor General would be somewhat misleading and I am sure the minister does not wish to mislead the House or the public. It is my understanding that there is agreement between the minister and his counterpart in general as to the construction of a penal institution in the province of New

Brunswick but that there is no agreement as to the specific location, particularly to Morna in the area of Saint John. I would be happy to be corrected if the minister would care to present me with documentation that would show that such an agreement has been reached, but I do not think the minister wants to leave the impression, which I think would be denied, that an agreement as to the specific location has been reached between himself and his counterpart in the province of New Brunswick.

Mr. Allmand: Mr. Speaker, it is my understanding that agreement in principle for the construction of the medium security institution in Saint John was obtained from the government of New Brunswick. Let me also say that the site that has been indicated was not picked by us but was indicated to us as a possible site by the authorities in the city of Saint John. We said that we wanted a site near the city or within the city, and that site was indicated as a possible site, but we are awaiting further reports from the open meeting of the city council to see what will be done.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY PROGRAM

Mr. Baldwin: Mr. Speaker, I wish to ask the government House leader what business we will have for tomorrow and the next few days, assuming that we are going to proceed with the government's bill with regard to price restraints. If, in the orderly progress of that bill, time is available for other matters, what matters will we be dealing with? Will the government House leader please go as far as he can so that this party may, as usual, attempt to facilitate such good legislation as the government may, as it infrequently does, bring forward?

Mr. Sharp: Mr. Speaker, it is the intention to proceed tomorrow with the anti-inflation bill, which will be read for the first time in a few minutes. I welcome the intervention of the House leader of the official opposition, but if possible I should like to lay before the House an orderly program for the consideration of this bill and others which are on the order paper. We are as anxious as he is to give hon. members due notice, with some idea of the time during which this bill and others could be disposed of. I think it is in the interests of everyone in the House that there should be an orderly and sufficient discussion of each of these measures but that it not go on indefinitely.

Mr. Baldwin: I listened with great interest to the hon. gentleman, and having said that, will he now indicate what other business we may be considering after we finish the one bill to which he referred?

Mr. Sharp: The bill on unemployment insurance and Bill C-65 dealing with the amendments to the Income Tax Act, which were not disposed of, have the highest priority. There are one or two other measures which there may be a disposition to put into committee, such as the bill on superannuation, which I would like to discuss with the various leaders; but I hesitate to commit them until I have had an opportunity of discussing the program in detail.

Mr. Alexander: I should like to have some clarification with respect to the bill regarding unemployment insurance and Bill C-65. Can the minister indicate, now, which one has the highest priority so that we can determine at what time we should be dealing with these matters?

Mr. Sharp: I have a little difficulty in this respect. Bill C-65 may turn out to be not very controversial and there may be a disposition to deal with it quickly. If so, I might be inclined to put it ahead. However, if that is not the case, certainly the unemployment insurance bill has the highest priority.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I remind the government House leader of the fact that just before we broke up at the end of July the minister indicated that there would be laid before the House a bill as promised in the budget speech of June 23, amending the Government Annuities Act to provide for the escalation of benefits under that act. Can he say whether that bill is now ready, and will it soon be presented to the House?

Mr. Sharp: I expect that it will be before cabinet within the next few days and then will be laid before the House.

* * *

EXTERNAL AFFAIRS

VISIT OF UNITED STATES SECRETARY OF STATE DR. HENRY KISSINGER

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am a little doubtful about the jurisprudence, but I am perfectly certain that this point of order should be raised and I hope the Secretary of State for External Affairs (Mr. MacEachen) can disabuse me quickly. Allegations have been made in Washington that both the speeches and the private conversations and comments at a dinner held by the minister in honour of the visit of Dr. Kissinger were broadcast to the press room of the Lester B. Pearson Building and have become the subject matter of news stories in the United States. I submit that this will do serious damage to an otherwise useful visit of the United States Secretary of State.

If these allegations are true, they surely affect the privileges of members of the cabinet and of parliament and constitute a serious invasion of privacy. I hope the minister can give the House an explanation and also assure us that if the allegations are correct, arrangements will be made so that such an occurrence cannot again take place.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am grateful to the hon. member for raising this matter. It is true that there was a story in the Washington *Post* this morning. In fact, I happened to be in Washington and I was given the *Post* as

I was leaving the hotel for the airport. In the article there is an account of what I understand to be fragments of the conversation held between Dr. Kissinger and Madam Morin who was sitting next to him at the table. I am not quite sure how this happened, except that arrangements had been made that the toasts made by Dr. Kissinger and myself would be made available through a line to the national press building. If these fragments are correctly reported, the only explanation is that the microphone was left open at a time when it ought not to have been left open.

Some hon. Members: Oh, oh!

Mr. MacEachen: I think the hon. member raises a very serious question as to the propriety of any person reporting even fragments of what obviously was a private conversation between Dr. Kissinger and the hon. member of this House who was sitting next to him. I am quite troubled, personally, by this incident, and when I returned to Ottawa I called Dr. Kissinger on the telephone and expressed my regrets for it. I feel sure the hon. member will want to know that the Secretary of State said he would not permit this incident to mar in any way what he regarded as an extremely successful visit to Canada. It was an extremely successful visit and I regret that this incident did happen. I believe the fact that any effort was made to report a private conversation, even in fragments, is worthy of contempt.

Some hon. Members: Hear, hear!

Mr. Fairweather: Mr. Speaker—

Mr. Speaker: Order, please. I do not in any way wish to diminish the importance of the matter raised by the hon. member. It is obviously of great importance. The hon. member has done, as expressed in the words of the minister, a service to the House by raising the point. It is difficult to see how we can get into a prolonged dialogue about it at this point. However, if the hon. member has another suggestion, we will hear it.

Mr. Fairweather: I appreciate the minister's frankness on this point. I think, however, that the House is entitled to know whether Dr. Kissinger knew of the arrangements with the national press building, and also whether the minister is conducting an investigation to see who was responsible for this extraordinarily sloppy arrangement.

Mr. MacEachen: I am quite certain that Dr. Kissinger did know that the tape—

Some hon. Members: Oh, oh!

Mr. MacEachen: —that the toasts were to be made available for distribution in Canada and the United States. Obviously, it was not intended to go beyond the official toasts in what was to be made available at what was otherwise a private occasion. I have asked that an investigation be made into the circumstances which permitted this to occur, and I am personally quite mortified at it.

[Mr. MacEachen.]

[*Translation*]

SOCIAL SECURITY

TABLING OF REPORT OF ADVISORY COMMITTEE ON THE CANADA PENSION PLAN

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to table two copies of the report of the Advisory Committee on the Canada Pension Plan entitled: The Rate of Return on the Investment Fund of the Canada Pension Plan.

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[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

Hon. Donald S. Macdonald (Minister of Finance) moved for leave to introduce Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada.

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

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 478, 1,705, 2,574, 2,769, 2,872, 2,889, 2,911, 3,014, 3,029 and 3,052.

[*Text*]

SPECIAL ASSISTANTS EMPLOYED BY PRIME MINISTER'S OFFICE SINCE APRIL 20, 1968

Question No. 478—**Mr. Cossitt:**

1. What are the names of all those classified as special assistants who have been employed by, attached to or on loan to the Prime Minister's Office since April 20, 1968, along with their annual salaries, dates employment commenced and, where applicable, dates it terminated and for what reason?

2. What is an absolutely complete description of all the main functions performed in the case of each of these individuals?

Right Hon. P. E. Trudeau (Prime Minister): 1.

1. Name	Employment Commenced	Employment Terminated	Salary Range $
Mr. T. Porteous	20-04-68	*2-04-73	20,000-25,000
Mr. M. Vennat	20-04-68	**27-11-70	20,000-25,000
Mr. R. Rolland	22-12-69	**22-06-74	20,000-25,000
Mr. P. Levasseur	13-06-68	*5-01-70	20,000-25,000
Mr. F. Fox	15-01-70	***1-09-72	20,000-25,000
Mr. G. Gibson	20-04-68	***1-09-72	20,000-25,000

1.

Name	Employment Commenced	Employment Terminated	Salary Range $
Mr. J. Mongeau	22-06-70	**28-09-73	15,000-17,500
Mr. T. D'Aquino	1-11-69	**18-11-72	17,500-20,000
Mr. J. Olivier	17-08-71	***1-09-72	17,500-20,000
Mr. G. Elliott	1-03-72	**31-12-72	20,000-25,000
Mr. M. Gillan	28-11-72	*2-04-73	17,500-20,000
Mrs. A. Jamieson	26-08-68	*5-12-72	12,500-15,000
Miss M.-H. Fox	30-11-70	—	20,000-25,000
Mr. T. Webb	4-01-72	—	20,000-25,000
Mr. J. Moore	1-03-72	—	20,000-25,000
Mr. K. Jespersen	4-01-73	—	20,000-25,000
Mr. G. Dufault	5-02-71	—	20,000-25,000
Mr. C. Kenny	23-02-70	—	25,000-30,000
Mr. A. Grossman	1-05-73	**1-09-74	20,000-25,000
Mr. E. Rubin	1-11-73	**1-09-74	25,000-30,000

* Reassignment in the public service

** Returned to private sector employment

*** Resigned to seek political office

2. Assignment of duties in each case is made by the Principal Secretary to the Prime Minister.

CANADIAN COMMITTEE ON OCEANOGRAPHY

Question No. 1,705—**Mr. Forrestall:**

1. Is the Canadian Committee on Oceanography still charged with the responsibility of the co-ordination of activities in marine science and technology?

2. Was this the description of the mandate of the Committee given by the Minister of State for Science and Technology in a news release dated July 12, 1973, entitled "New Oceans Policy"?

3. With reference to the answer to Question No. 1,329 which stated that "the Canadian Committee on Oceanography has not met within the last six months", who now has the responsibility of co-ordinating the activities in marine science and technology and on what date was the change, if any, affected?

4. Does this Committee intend to meet within the next six months and, if not, for what reason?

5. Is it the intention of the Minister to in any way alter the parameters and outlines of the government policy on oceans from those presented July 12, 1973 and, if so, on what date?

6. What is the assessment of government of the value of the Canadian Committee on Oceanography and of the role of the Ministry of State for Science and Technology in Oceans Policy?

Hon. C. M. Drury (Minister of State for Science and Technology): 1. Yes

2. Yes

3. The Canadian Committee on Oceanography has met since Question 1,329 was answered, that meeting occurring on June 10, 1975. No changes have been made with regard to co-ordination of activities in marine science and technology.

4. The Canadian Committee on Oceanography intends to meet within the next six months.

5. The Minister of State for Science and Technology has no specific intentions of altering the parameters and outlines of this government policy on oceans from those announced on July 12, 1973; in his responsibility for conducting a continuing review of ocean policy, the Minister will recommend changes in that policy to Cabinet when the need arises.

6. In the view of the government, the Canadian Committee on Oceanography is fulfilling a valuable role in reviewing and advising on activities in marine science and technology. The government also considers that the Ministry of State for Science and Technology has performed, and continues to perform, an essential role in the development of the Oceans Policy and in the continuous review of issues related to this policy.

PRIVY COUNCIL OFFICE—LANGUAGE TRAINING COSTS

Question No. 2,574—**Mr. Herbert:**

1. What are the total costs included in the 1975-76 Estimates of the Privy Council Office for language training?

2. How are such costs divided between (a) salaries of personnel receiving instruction (b) salaries of instructional staff (c) additional or supplementary services to be purchased from the Public Service Commission (d) other costs?

Right Hon. P. E. Trudeau (Prime Minister): 1. $270,000,

2. (a) Not applicable. (b) Not applicable. (c) $124,800. (d) $145,200.

MR. JACK AUSTIN'S OFFICE

Question No. 2,769—**Mr. Hnatyshyn:**

1. What was the cost of furnishing the office of Mr. Jack Austin, special assistant to the Prime Minister?

2. In what years and under what terms of reference was the cost of the furniture shown?

Right Hon. P. E. Trudeau (Prime Minister): 1. $5,027.95.

2. Fiscal year 1974-75 as a charge to the Privy Council Office Program—capital expenditure.

NUMBER OF INDIVIDUALS CONCERNED WITH SECURITY

Question No. 2,872—**Mr. Clark (Rocky Mountain):**

1. For each department, Crown corporation or agency, as of January 1 (a) 1969 (b) 1970 (c) 1971 (d) 1972 (e) 1973 (f) 1974 (g) 1975, how many (i) security or intelligence officers (ii) individuals otherwise concerned with security-related or intelligence-related matters, were employed directly, by contract or in any other way by the government?

2. In each case, what is the (a) salary range (b) rank or classification (c) job description (d) name of each such individual?

Right Hon. P. E. Trudeau (Prime Minister): It is not considered to be in the public interest to provide detailed information about security arrangements.

DREE—KOOTENAY WEST

Question No. 2,889—**Mr. Brisco:**

How much has actually been paid by DREE in the Constituency of Kootenay West in each year in which the DREE programme has operated in the Constituency?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows:

Fiscal Year	Expenditures made in Kootenay West under RDIA	Expenditures made in Kootenay West under ARDA
1969-70	$ ——	$ ——
1970-71	33,490	24,181
1971-72	231,661	2,084
1972-73	353,474	8,373
1973-74	——	8,703
1974-75	302,352	——
1975-76 (to July 15/75)	368,772	——

GOVERNMENT AUTHORIZATION TO SENATOR HASTINGS TO PRESENT GOVERNMENT CHEQUES IN ALBERTA

Question No. 2,911—**Mr. Malone:**

1. Has the government authorized Senator Earl Hastings to present on behalf of the government cheques to any person or groups of persons in the Province of Alberta and, if so (a) how many (b) what are the names of the persons who have received cheques through Senator Hastings (c) was Senator Hastings directly involved in negotiating for any such funds and, if so, who are the persons or groups of persons with whom the Senator had such involvement?

2. Has any other Senator from the Province of Alberta issued cheques on behalf of the government since July 8, 1974?

Right Hon. P. E. Trudeau (Prime Minister): 1. No. (a) Not applicable. (b) Not applicable. (c) Not applicable.

2. No.

MR. LOUIS DESMARAIS

Question No. 3,014—**Mr. Huntington:**

Since 1968, has Mr. Louis Desmarais, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): (i) Member of the National Harbours Board; (ii) Montreal Port Authority; (iii) December 15, 1971, to date; (iv) Appointment; (v) Minister of Transport. Vice-Chairman, Canada Development Corporation. Appointed by Governor in Council (see sections 4 and 5, CDC Act).

MR. LAURENT BEAUDOIN

Question No. 3,029—**Mr. Huntington:**

Since 1968, has Mr. Laurent Beaudoin, President of *Bombardier Ltée.* been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

[Mr. Lessard.]

Hon. Mitchell Sharp (President of the Privy Council): (a) Yes, Canadian Patents and Development Limited; (b) not applicable; (c) not applicable. (i) Member of Board of Directors; (ii) Canadian Patents and Development Limited; (iii) June 25, 1970 to November 15, 1971; (iv) appointment; (v) Board of Directors of Canadian Patents and Development Limited. Director, Canada Development Corporation Appointment by Governor in Council (see sections 4 and 5, CDC Act). (a) Nil; (b) Nil; (c) Industrial Incentives Advisory Board. (i) Member; (ii) Industrial Incentives Advisory Board; (iii) May 18, 1971 to November 15, 1971; (iv) By invitation of the Minister; (v) The authority for this Board is contained in Section 15A of the amended Regional Development Incentives Act.

AIR CANADA PASSES TO THE STAFF OF SOCIETY FOR THE STUDY OF HERITAGE OF CANADA

Question No. 3,052—**Mr. Brisco:**

1. How many free passes were handed out by Air Canada to the staff or management of the Society for the Study of the Heritage of Canada in (a) 1971 (b) 1972 (c) 1973 (d) 1974 (e) 1975 and to what destinations?

2. What was the total value of the passes for each year?

3. How many passes were for (a) economy travel (b) first class travel in each year?

Hon. Otto E. Lang (Minister of Transport): The management of Air Canada advises as follows: 1. (a) Nil, (b) Nil, (c) 5, (d) 10, (e) Nil. Moscow, Paris, Halifax, Vancouver and Miami.

2. Records of territorial coverages actually travelled by each passholder are not available. However, the cost of standard economy class travel over the routes indicated on the passes would have totalled approximately $10,500.

3. (a) and (b) All passes were issued for economy class travel.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,885 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, I ask that question No. 3,094 be made an order for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

[*Text*]

PFRA—COMMUNITY PASTURES

Question No. 2,885—**Mr. Hnatyshyn:**

In regard to the 96 community pastures operated by PFRA, in each case (a) where is it located (b) what is its size (c) what was its (i) revenue (ii) cost for the years 1972, 1973 and 1974?

Return tabled.

GOVERNMENT'S EXPENDITURE FOR ELECTRICITY

Question No. 3,094—**Mr. Beatty:**

For each of the past five years, what was the government's annual bill for electricity?

Return tabled.

[*English*]

STARRED QUESTIONS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred questions No. 2,871 and 2,946?

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

*AMOUNT OF MONEY SPENT ON SECURITY

Question No. 2,871—**Mr. Clark (Rocky Mountain):**

1. What was the total amount of money spent on security or security-related matters from March 31, 1974 to March 31, 1975 and what is the identification of every vote in the Estimates which authorized such expenditure?

2. What was the total amount of money voted to be spent on security or security-related matters from March 31, 1975 to March 31, 1976 and what is the identification of every vote in the Estimates which authorized such expenditure?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is not considered to be in the public interest to provide detailed information about security arrangements.

*DEPARTMENT OF NATIONAL REVENUE—INSTALLATION OF COMPUTER, WINNIPEG

Question No. 2,946—**Mr. McKenzie:**

1. Is the Department of National Revenue planning to locate a computer centre in Winnipeg and, if so, will the Department or the Department of Public Works be buying or leasing a building?

2. Is the CAE Air Canada building at 570 Ferry Road being considered and, if so, will it be bought or leased?

3. If the Department of National Revenue occupies the building will renovations be required and, if so (a) what will be their cost (b) who will pay for them?

4. For how many years would either Department lease the building at 570 Ferry Road?

5. Did either Department advertise for tenders to lease or buy such building and, if so (a) who submitted tenders and in what amounts (b) was the contract to occupy 570 Ferry Road the lowest offer?

6. Who are the owners of the building at 570 Ferry Road?

7. Will the computer operation be affected if jet aircraft are only a short distance above the building when landing?

8. Are any other new computer centres being planned and, if so, in which cities?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Departments of National Revenue and Public Works as follows: 1. The Department of National Revenue will open a Regional Data Centre in Winnipeg using some small scale computer equipment. The Department of Public Works will lease a building for that purpose.

2. The CAE Aircraft Building in Winnipeg will be leased to house the National Revenue Taxation Data Centre.

3. (a) The estimated cost of tenant services is $1,760,000. (b) The cost of the tenant services will be the responsibility of the Department of National Revenue.

4. The DPW will lease the CAE Building for a term of three years. The lease will include three 1-year options on the same terms and conditions.

5. (a) The DPW advertised for proposals to lease approximately 100,000 sq. ft. of space in an existing building. One offer only was received from Metropolitan Estates Properties Corporation. The offer was disqualified as it did not meet the terms of the tender document which called for space in an existing building. (b) Due to the limited time frame available, offers for space in existing buildings were solicited and the proposal received from the CAE Aircraft for accommodation at 570 Ferry Road was the lowest.

6. CAE Aircraft Limited, Winnipeg International Airport, P.O. Box 1700, are the owners of the building at 570 Ferry Road. Located on a site leased by CAE Aircraft Ltd. from the Ministry of Transport.

7. No.

8. Other Regional Data Centres are in the planning stage but no further cities have been selected as yet.

● (1510)

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed, from Wednesday, October 15, consideration of Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend the Combines Investigation Act and the Criminal Code, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am rising, of course, in support of the amendments presented to this House by the hon. member for Nickel Belt (Mr. Rodriguez). I was most interested to listen to the debate yesterday, particularly the remarks of the hon. member for Mississauga (Mr. Abbott). He seemed to become very exercised about the effect of the amendments which have been placed before the House and the obvious interference in the marketplace of Canada. In fact, he became so upset that he suggested they were not only nonsense but were mainly baloney. That is pretty strong stuff, Mr. Speaker.

I know that the hon. member for Nickel Belt can get emotional from time to time—

Some hon. Members: Oh, oh!

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

Mr. Deputy Speaker: The hon. member for Mississauga (Mr. Abbott) on a point of order.

Mr. Abbott: My point of order is that I did not refer to the amendment as baloney; I referred to the content of the remarks of the hon. member for Nickel Belt (Mr. Rodriguez) as baloney.

Some hon. Members: Hear, hear!

Mr. Leggatt: In view of those remarks, Mr. Speaker, I am sure we can expect a favourable vote on the amendment today. Since the hon. member seems to find favour with the amendment but not with the speech, I will be delighted if he will join this courageous group on the question of advertising and vote for these very sensible amendments which certainly should recommend themselves to anyone with some experience in advertising and of enforcing the existing provisions.

I was interested in what the hon. member for Mississauga had to say about the general provisions which he said are satisfactory and general enough that prosecutors will not have their hands tied. In fact, the reverse is true. If you talk to anyone who has had experience in prosecuting firms for misleading advertising, they will tell you the success ratio is very low. One of the real problems is that we have no properly legislated, clear standards of what is a violation and what is not. The work "misleading" is far too broad and generic to be of any value whatsoever. Convictions under the act are difficult—almost impossible.

What the hon. member for Nickel Belt is attempting to accomplish is something that I thought would have recommended itself to all members of this House, that is, simply the question of providing truth in advertising. I am pessimistic enough, however, to believe that when these amendments come to a vote tonight we will have the usual lock-up between the government side and the official opposition in opposing the strengthening of those provisions dealing with the marketplace and the manipulation of the consumer by advertising.

There is no way that we can continue to argue out of one side of our mouths that society is becoming permissive, is becoming soft, and yet when it comes time to be counted in this House and lay some of the blame where it belongs, on the advertising media of this country, we say that we cannot interfere in the marketplace.

It ill becomes the Prime Minister of this country to go on television and waggle his finger at the Canadian population, as he did the other night, and say, "You fellows have been living too high on the hog. You are to blame for this inflation. You people out there have been buying too much; you have been seeking too much." Surely it is the responsibility of the Prime Minister (Mr. Trudeau) to do something about the way the public has been manipulated, by advertising, into seeking the most useless kind of cosmetic junk that is promoted over and over again because of the capitalist demands of the media.

● (1520)

Nobody answers what the organs of communication tell us. There is no anti-advertising program. Therefore, when representatives of my party propose amendments to put teeth into the "truth in advertising" concept, they meet the typical response, "We cannot change the market-place. Besides, you may reduce sales; your proposal is too harsh on some who produce in the marketplace." Nothing is further from the truth.

I am going to talk about how some companies advertise. The other day we went to McDonald's. They have not improved their product; they have improved their menu instead. In the restaurant it is not the food that is important, but the picture of the food on the menu; and every time the picture gets better the price goes up. They have not improved service, but their advertising.

The Post Office also advertises. Because of the many complaints it received from across the country it introduced something called guaranteed mail service. The department painted post boxes with a nice white line and said, "Now you have guaranteed mail service". But the service continued to decline and became less and less guaranteed. That Crown corporation fell into a trap which had been set, by example, by major commercial corporations. The trick in advertising is to tell the Hitler-like big lie. Don't tell a small lie; you have to tell a really big one.

Imperial Oil's advertising about the north looks very appealing. They portray themselves as nice guys in the north who are concerned about our ecology. Let me tell you that if anyone is threatening the ecology of the north, it is the oil companies. Their advertising tries to counter criticism. They indulge in the big lie technique and say, "Our people are up there; they are concerned about the ducks." They show people rowing their little boats across lakes and having a grand time protecting "your ecology in the north."

Actually, in 1971 Imperial Oil was told to discontinue its operations in the Mackenzie delta because the company was breaking conservation rules laid down by the Department of the Environment. The department was slow to act. Companies like to use the big lie technique. Just consider what is happening in the north. If you watch "Hockey Night in Canada" you will see Imperial Oil using prime time every Saturday night to bring you this message: It takes a lot of money to develop the north. It costs $10 million to sink a hole in the Beaufort Sea.

The company really is saying that the government should keep its sticky fingers out of company business so that profits can be kept at a maximum, otherwise the company cannot operate. The company says this in prime television time and there is no opportunity for political response. It does not claim its oil is better or that its service is superior. It does not even try to sell its product directly. It is selling an insidious idea, an idea to which the government or those who hold the opposite view cannot respond. So you can see how the Hitler-like, big lie technique is one of the most insidious influences which we must fight in this country. It manipulates the public, its values and standards. This is done by advertising.

People tell us we are becoming a permissive society because we have so many welfare bums or people drawing unemployment insurance. Apparently we are soft because we do not want the poor to starve or the unemployed to go hungry. Actually, we are soft because subtly, insidiously we are being manipulated to want things which make us soft, and no section of our population is more open to manipulation by advertising than the female section.

I think the hon. member for Waterloo-Cambridge (Mr. Saltsman) mentioned this yesterday and I believe the hon. member for Vancouver-Kingsway (Mrs. Holt) will agree: it is amazing how many women think that the way to be attractive is by buying cosmetics. Nobody in advertising suggests you can become more attractive if you become smarter, if you write poetry, if you become a sculptor or win the Nobel prize. Our women are told they can become more attractive if they buy pretty purple lipsticks, wrinkle cream which allegedly takes the years off, or wear attractive sets of fish across their fronts. What nonsense!

An hon. Member: Careful.

Mr. Leggatt: I hope the hon. member for Vancouver-Kingsway will not take offence. My point is that women, probably more than any other group, are being manipulated by the media.

Mrs. Holt: Mr. Speaker, I rise on a question of privilege. I feel the hon. member for New Westminster (Mr. Leggatt) is singling out women in this House, one woman especially—

An hon. Member: Shame!

Mrs. Holt: —and referring to her personal attire. I think that is totally inappropriate. I did not hear the hon. member singling out men in the House and drawing attention to their attire.

Mr. Leggatt: Mr. Speaker, I assure you I intended to compliment the hon. lady. There are many attractive members in this House, but she just happened to catch my eye.

An hon. Member: There are many more. You need glasses.

Mr. Alexander: Withdraw.

Mr. Leggatt: Mr. Speaker, I cannot possibly withdraw; I merely suggest that females are being corrupted and manipulated by advertising. But we are all manipulated and corrupted by advertising and I should not single out a special group.

Let me now speak specifically about the amendment. We say that advertised qualities must be definable and that you must not say something is new when it is not. The hon. member for Winnipeg North Centre (Mr. Knowles) suggested that we should consider a new name for our party—we have been around for some time—and instead of calling ourselves the New Democratic Party we ought to call ourselves the Democratic Party, a name which I feel is better because we are probably the most democratic party in the House.

Some hon. Members: Oh, oh!

Mr. Leggatt: Why should hon. members object to an amendment which says that no company shall:

(e) make a representation to the public containing exaggerated price claims of a general nature, unless such claims are fully supported by evidence of a substantial nature.

Why should companies be allowed to lie? Why let them get away with something they could not get away with in court? For years and years you could adduce pretty well any evidence in court. Then the hearsay rule was introduced. But in the area of the public's manipulation by advertising we refuse to impose on companies standards of truthfulness which any court would enforce if the company were in court, or which we expect our children to abide by. We expect our children to tell the truth, but somehow people engaged in commerce are exempt from the normal rules of morality.

The next paragraph of the hon. member's proposed amendment reads:

(f) make a representation to the public that, either explicitly or implicitly, arouses or tends to arouse unwarranted expectations of product effectiveness.

Some ridiculous claims are made for products. I am thinking of claims made for wrinkle creams. The advertisers say that these creams will take the years off. What about claims made for toothpastes which are made of little more than artificial fat?

Mr. Munro (Esquimalt-Saanich): What toothpaste do you use?

Mr. Leggatt: Colgate's.

Mr. Munro (Esquimalt-Saanich): No commercials, please.

● (1530)

Mr. Leggatt: The next item refers to making a representation to the public, and I quote:

(h) make a representation to the public containing suggestions, either implicit or explicit, of product effectiveness in areas other than those in which the product is intended primarily to have effect.

That is a very simple request. Why not tell the truth about the product? There is no law requiring a commercial enterprise to say that its product is bad. We only say, "Don't lie." That is a very simple proposition; one that I think should appeal to all sections of the House. The last paragraph of the amendment the hon. member has proposed perhaps gets to the subject matter better than the others. I quote:

(l) and in all cases, products shall be sold on the basis of definable qualities and grades, where that is possible.

What we are trying to accomplish here is a way for the consumer to get a break in what he is buying. He has been manipulated. His needs have been artificially stimulated. What we are saying is that if the quality or grade of a product is defined, an objective judgment can be made in the marketplace. At the moment this cannot be done. Advertising has become so sophisticated that we are no longer capable of resisting many of the ploys or status approaches used by advertisers.

I do not think there is any industry more typical of the insidious nature of the advertising we have been faced with than the automobile industry. Over a ten-year period they have clearly been attempting to manipulate the public in order to sell high-profit, large, expensive gas-guzzlers. The public has been able to resist slightly but not entirely. People began to ask whether they really needed these large cars, and slowly the small cars started to grow in popularity. The resistance continued and Detroit would bring out a small car. However, the compact car of one year would suddenly become a medium-sized car the fol-

lowing year. As I recall, they fought for ten years to get the public to buy a wasteful, largely stupid product. A new small car has now been put on the market. The Chevette appears to be the only real attempt to bring out a small car. I hope that next year the Chevette will not become the Chevelle and we will not be back to a big gas-guzzler within three or four years.

An hon. Member: What about the Wally Wagon?

Mr. Leggatt: That was a very practical suggestion. My alma mater, the University of British Columbia, developed the Wally Wagon. I hope in the future one of the major manufacturing concerns will produce the Wally Wagon on a large scale so that Canadians will develop sensible driving habits.

In summary, it is not good enough to say that Canadians have become soft and permissive and do not produce anything, while we continue to have a value system imposed upon us through advertising. The amendments of the hon. member for Nickel Belt go a long way toward improving that situation.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I had the opportunity to discuss the substance of the motion during the detailed consideration of the bill by the Committee on Finance, Trade and Economic Affairs.

I can assure the hon. member for Nickel Belt (Mr. Rodriguez) that I approve the object of this motion which could spell better protection for consumers.

I have stated on several occasions in the House and elsewhere the constant concern of the government and especially my department to assure that the Canadian consumer is not swindled or wronged when he is buying needed goods. This concern is more clearly and specifically shown in the bill under consideration and in my desire to publish as soon as possible a report on the second stage of the reform of the competition legislation.

As I stated on several occasions, part of the report on stage two will more precisely deal with commercial practices aimed at deceiving consumers.

This motion of the hon. member for Nickel Belt is based on some provincial legislation. On closer consideration of its content, one finds almost literally some excerpts of the British Columbia act on consumer protection.

But it must be noted that some provinces where such legislation is in effect have adopted a so-called civil recourse approach characterized by definite discretionary and controlling powers that cannot be translated or fitted in a piece of legislation which is characterized by a similar approach to that found in criminal law.

Several expressions used in motion No. 11 now before us illustrate this point very well. For instance, the words: "tends to arouse unwarranted expectations, implicit suggestions, undesirable side-effects". Those are expressions that do not agree at all with the spirit of criminal law which must necessarily refer to definite and clear offences, so that a person may know in advance exactly the scope of his responsibility.

Needless to say, Mr. Speaker, several suggestions made in motion No. 11 are already included in the bill under consideration. For instance, the suggestion in paragraph (g) is a copy of what already exists in section 36(1)(d), a section which, as a matter of fact, appears to me to be clearer and more effective than what motion No. 11 proposes.

I refer hon. members to section 37(2) of the current legislation which has been preserved in this bill and which is certainly more effective and useful to consumers than the gist of this motion introduced by the hon. member for Nickel Belt.

Mr. Speaker, paragraph (j) in the motion refers to the word "improved". In this respect, I should like to remind the hon. member for Nickel Belt that we have already succesfully instituted court proceedings against a manufacturer who was advertising his product as "improved" while, in fact, it was not improved at all.

There is no doubt—I want to make myself perfectly clear on this—that this motion offers nothing which does not already exist in the present statutes. The law, as it now stands, is in a general context and is implemented in a criminal context.

Now the words we find in the motion submitted by the hon. member for Nickel Belt are in a rather different context; he has a so-called civil approach which I think does not suit Bill C-2, which is of a criminal nature.

As I said, we are now examining the law in the area of commercial practices aimed at deceiving the public and I want to assure the hon. member and all hon. members in this House that I do not exclude at first the possibility of adopting a civil recourse approach and an approach of regulatory power in the federal legislation aimed at protecting consumers.

I can assure hon. members that the substance of motion No. 11, as submitted to us, will be examined with the same openmindedness as the other suggestions already under review when we formulate the reform on the law on competition in phase two. For the moment, such an approach seems to me untimely and unsuitable to the existing Combines Investigation Act, all the more so because certain parts of this motion are already provided for in the present legislation, that under the current legislation we have already prosecuted companies that have been accused of having used "improved" when in fact nothing was improved. Furthermore, in a recent case put before the court, a company was fined $5,000 after we submitted this case to the court.

So, I want to say that if, on the one hand, I agree with the spirit of the hon. member's proposition, I do not want, on the other hand, at this stage of the study, to approve the wording. I therefore recommend that the motion be rejected.

● (1540)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): Carried.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, a recorded division on this amendment stands deferred.

The House will now proceed to the consideration of motion No. 18.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would ask for the unanimous consent of the House to present a motion at this stage. You will recall that, before last summer's recess, I had said that, provided this House were prepared to limit the debate on Bill C-2 to two days in the fall, I would be willing, in a spirit of cooperation, to present, at a suitable time, an amendment to clause 31.4 of this bill, which would partly meet the views of the hon. member for York-Simcoe (Mr. Stevens) on the matter of franchises. Now there appears to have been discussions among the various leaders in the House concerning this and, if the House is agreed, I shall now move this amendment.

[*English*]

That motion No. 5 (Mr. Stevens) be amended by striking out all the words following the word "following" and by substituting therefor the following:

"(c) A company, partnership or sole proprietorship is affiliated with another company, partnership or sole proprietorship in respect of any agreement between them whereby on party grants to the other party the right to use a trade mark or trade name to identify the business of the grantee, provided

(i) such business is related to the sale or distribution, pursuant to a marketing plan or system prescribed substantially by the grantor, of a multiplicity of products obtained from competing sources of supply and a multiplicity of suppliers; and

(ii) no one product dominates such business."

and by striking out the word "and" at the end of line 29, substituting a semi-colon for the period at the end of line 34 and adding, immediately after such semi-colon, the word "and".

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, do I understand that this is a motion in substitution of motion No. 5? I do not think that was made very clear. In other words, the minister is asking for unanimous consent to reopen and reconsider motion No. 5. Whatever our view may be about the substance, we have no objection to the motion being reopened.

Mr. Deputy Speaker: The Chair wishes it to be clear that there is to be a recorded division on motion No. 5, so it would need to be agreed that such division on the previous motion No. 5 would be eliminated, and that by unanimous consent the House allows the minister to forgo the provisions of paragraph (5) of Standing Order 75 which calls for 24 hours' notice of an amendment and authorizes the minister to place a new amendment before the House which will be studied and debated in due course. Is that agreed?

Mr. Kempling: We agree to this procedure, Mr. Speaker. It was my understanding that this motion would also apply to clause 38(7) on page 41.

Mr. Ouellet: No.

Mr. Kempling: That has been sorted out, has it?

Mr. Ouellet: Yes, but it cannot be dealt with there.

Mr. Kempling: Very well. We shall accept it on that basis. Are we going on to debate this motion now?

Mr. Deputy Speaker: Is the House ready to proceed with the consideration of new motion No. 5?

Mr. Knowles (Winnipeg North Centre): There were suggestions through the usual channels that we would now proceed to motions 18, 20, 21 and 24 and discuss motion No. 5 later today. Was that not the understanding?

Mr. Ouellet: Yes.

Mr. Knowles (Winnipeg North Centre): Can we stay with the understanding?

Mr. Ouellet: Certainly.

● (1550)

Mr. Deputy Speaker: If that is agreed, we will proceed with motion No. 18 which appears in the name of the hon. member for Nickel Belt (Mr. Rodriguez). The motion is the following:

Motion No. 18

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by striking out lines 19 to 36 on page 38 and substituting therefor "chance and skill whatever".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order, this motion is in the name of the hon. member for Nickel Belt (Mr. Rodriguez) and you have put it in his name, but it would be appreciated if the hon. member for Northwest Territories (Mr. Firth) could speak at this time and introduce the motion without denying the hon. member for Nickel Belt the right to make his speech later on.

Mr. Deputy Speaker: Agreed.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to speak in favour of this amendment which is put forward by the hon. member for Nickel Belt (Mr. Rodriguez). The purpose of this amendment to Bill C-2 is quite simple and, I think, most important to the consumers of this country. The motion would remove from the marketplace the expensive practice of promotional contests. If this amendment is accepted, a few Canadians will no longer have the opportunity to win a free car from brand "X" or a trip to Hawaii from brand "Y", but all Canadians will be saved the price of these so-called give-aways.

The give-aways have been with us for many years and they always have to be paid for. At one time it used to be

the custom among certain establishments in the business of selling liquid refreshments to offer a free lunch along with their regular wares. There is no such thing as a free lunch, Mr. Speaker. There is no such thing as a free drink. There is no such thing as a free trip to Hawaii with a few thousand dollars thrown in, as sometimes is the case with these contests. Somebody has to pay for that, and that somebody is the consumer who buys the product that is sponsoring the so-called give-aways. Indeed, there are a number of my constituents who could not even afford to accept such a give-away, the situation is that bad.

Mr. Knowles (Winnipeg North Centre): They can just buy one.

Mr. Firth: I do not know how many people buy one brand of breakfast cereal instead of some other, just on the off chance that they will win a free car, or what have you, but I do know that every person who buys a give-away brand is paying part of the price of the car that is offered in this promotional type of contest. These people are also paying the cost of advertising the give-away, of promoting the give-away, and the salaries of the bright young executives who think up these give-aways. As I say, Mr. Speaker, there is no such thing as a free lunch.

An hon. Member: Or a tax write-off.

Mr. Firth: Exactly. Surely we are having to pay enough for essential commodities like food, without paying a surtax. Perhaps "lottery" is a better word for these contests, but it is a cruel kind of lottery because the consumer has no choice in the matter. I suggest that if he or she wishes to purchase a brand that is running this kind of free lunch, then he or she is forced to buy a ticket. They are given no alternative and they are not even told how much of their money goes to support the give-away.

People should be able to take a chance. If you are inclined to gamble a little, then there are a number of lotteries in the country. People can go to the horse races, buy an Olympic lottery ticket, or there are many other lotteries in the provinces. In that case one knows exactly how much one's gamble is going to cost, one knows exactly what one's money is going into, and one has a free choice. That is not the case with promotional give-aways, especially in the food industry. In the great, promotional free lunch lottery the gamble is not so clearcut.

In Bill C-2 the government is offering us guidelines for some of these situations. It is giving us the ability to know the approximate value of the prizes offered, as described in the bill. The bill will ensure that the prizes are not unduly delayed. It will also let consumers rest easy in the knowledge that prizes will be distributed on the basis of skill or random selection. That is all well and good, but once again this government is marshalling its vast resources to solve the wrong problem. The problem is not that free lunch contests should be carried out in a fair and equitable manner; the problem is that they are carried out at all. I suggest we cannot afford them.

The government is now in the process of waging a dramatic war on inflation. The Prime Minister (Mr. Trudeau) has asked all Canadians to do their bit by accepting tough limits on their behaviour and cutting back on their expectations. The Prime Minister told us that the government was limited in its ability to act and that he needed our support to "knock the wind out of inflation". He said that our actions were absolutely necessary to win this fight and that the weapons were in our hands. Well, Mr. Speaker, we are quite aware that the government is having trouble fighting inflation, but here is an example of a weapon that is in their hands: they can adopt this amendment and save us the cost of a "free lunch" by putting their support behind the amendment moved by the hon. member for Nickel Belt. That is all I wish to say at this time in support of the amendment.

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to speak against this motion. Bill C-2 includes a number of initiatives in the field of consumer protection which are not restricted to the prevention of false market information. These provisions in each instance focus on specific exploitative marketing practices, ranging from bait-and-switch selling to resale price maintenance, which can be shown to injure the consumer. Promotional contests, provided consumers have a fair idea as to the way in which the contests are conducted, would not seem to fall into this category of unfair selling methods.

For this reason, Bill C-2 specifies a substantial number of safeguards to ensure that correct and adequate information is provided to all possible participants in a promotional contest. I think it would be useful for all hon. members to draw their attention to the safeguards. A promotion would be unlawful unless the following criteria are provided for:

(a) there is adequate and fair disclosure of the number and approximate value of the prizes, of the area or areas to which they relate and of any fact within the knowledge of the advertiser that affects materially the chances of winning;

(b) distribution of the prizes is not unduly delayed; and

(c) selection of participants or distribution of prizes is made on the basis of skill or on a random basis in any area to which prizes have been allocated.

If the court decides after a fair hearing that a promotion is unlawful, then there are penalties by way of either indictable or summary process. The proposed amendment to motion No. 18 would prohibit all promotional contests, and I consider that in the absence of proof that an honestly run contest takes unfair advantage of the consumer, I cannot support the proposed amendment.

● (1600)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my colleague, the hon. member for Northwest Territories (Mr. Firth), has touched on the very salient points and reasons for the introduction of this particular amendment. Having listened to the hon. member for Vancouver East (Mr. Lee) explain the reasons for his and his party's opposition to this amendment, I suggest they are the same reasons which strike fear in my heart and which prompted my party to put forward this amendment.

He said Bill C-2 provides some protection to consumers because it outlaws certain practices. For instance, it outlaws the practice of double-ticketing. The new method of computerized pricing, with the new and the old price appearing on the article only as five coloured lines, makes a farce of this particular practice being outlawed. How

does the computer, once it has registered a price change, inform the consumer of that change if the consumer is unable to read the coloured lines on the particular item?

The hon. member also said that suggested resale pricing was to be outlawed. I suggest that this practice will not be outlawed, because in another section of the bill it is stated that if a manufacturer places the price on the item or on the package, it is quite all right and that is exempt from this provision of the bill. So in fact we will not have lists of suggested resale prices; we will have the suggested prices on the item or the package.

Let me point out that the amendment would not prohibit games of chance or lotteries; it would prohibit the merchandising of products by the use of contests, games of skill and games of chance. I have mentioned before in this House that the marketplace is like a jungle and many consumers may not be as sensitive to market trends as certain members of this House who are in business themselves. Consumers are not generally in this field, and as a result they have to go into this jungle to make a selection of goods for which they must spend their hard-earned money. We are permitting, in this jungle, the predatory practices now being foisted on the consumer.

Let me refer specifically to this whole business of contests and games. As the hon. member for Northwest Territories correctly pointed out, somebody has to pay for these things. I suggest the people who do not believe in gambling or in this kind of hocus-pocus are forced to pay a share of the cost. Nothing is being given away by these stores. All consumers must pay the cost of this gambling in the prices they pay for their foodstuffs and other consumer items.

If a consumer wants to gamble, he has a myriad of lotteries and other such things. We will have the Olympic lottery with us for years to come, I suggest. If the consumer wants to play the horses, he can go to the racetrack. If he wants to participate in a provincial lottery, there are many of those around. If he wants to play bingo, I suggest there are bingo games in arenas right across this country, all being conducted under proper supervision and regulation. Why should we permit this kind of lottery in the marketplace in respect of consumer items?

Surely what is important is that the consumer knows the cost, the size, the quality and the ingredients of an article. By permitting this kind of lottery in the selling of consumer products, we are allowing stores to divert the attention of the consumer away from those things to which he should be paying attention, including quality, price and size of particular products.

We are not asking the government to interfere in the marketplace. The minister kept suggesting that this kind of thing would be an interference with the market. He suggested this would be difficult to administer. What has been tabled in this bill is the establishment of wage and price control legislation, and that is a complete intrusion in the marketplace. If the proposed board can overcome the difficulties involved in regulating prices, then surely it is not beyond reason to ask the government to legislate fairness in the marketplace so that consumers will not feel the pinch of inflation and, as a result, escalate their wage demands in order to keep pace.

I have mentioned only a few of the predatory practices that are allowed, but this business of contests and games of skill is really dishonest and should not be permitted in respect of the sale of consumer items. The consumer is faced with many other problems in the marketplace. In some instances he is faced with a proliferation of the size of packages. Cereal products, for example, come in 17 different sizes, and there are seven different sizes of frozen vegetable packages. There are six different sizes of instant coffee.

The consumer is therefore confronted with the necessity of making an evaluation as to the unit cost of these items. The consumer is confronted with all this gimmickry of loss leadering, being led to believe he is getting something cheap when in fact the retailer is making up the difference in the price of other items in the store. We still have the operation of double-ticketing. Even now, as we spend time here talking about the establishment of a board to look into these increases, prices are going up; even now they are being changed.

By this amendment we have tried to eliminate some of these practices which this government is not prepared to outlaw. We have tried to direct attention to and focus the debate on this particular issue because it reaches right down to the grassroots level. These are the issues the consumer is faced with every single day when he or she goes out into that jungle to forage for food. We have tried to focus the debate on the specific items because they are concrete and represent the concerns the Food Prices Review Board was set up some two years ago to look into. These are the kind of complaints the review board has been receiving. What we have tried to do is eliminate some of this legerdemain and foliage. We have tried to clear the jungle of a lot of this underbrush so that the consumer can be aware of what he is buying—the size, the quality and the price.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 18. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

Combines Investigation Act

Mr. John Rodriguez (Nickel Belt) moved:

Motion No. 20.

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by adding immediately after line 46 on page 38 the following section:

"37.2A(1) No person shall offer a product for sale to the public under conditions which enhance, or are intended to enhance, the appearance, colour, or other characteristic of the product in an artificial way or through artificial means, or which are intended in any way to deceive the public as to the true appearance or quality of the product, or both.

(2) No person engaged in the supplying of products to the public shall obstruct the view of cash register windows or, in any other way, whether deliberate or not, conceal the price actually being charged to a customer.

(3) No person shall offer a product for sale to the public that does not have the price per unit clearly indicated on the item or in some other way.

(4) No person shall offer a product for sale to the public at a price which exceeds, in terms of price per unit, the price at which smaller quantities of that same product are offered by the same person.

(5) No person shall offer a product for sale to the public at a price that does not fully reflect the intended consequences of any government subsidy programme then in effect with respect to that particular product.

(6) No person who offers a product for sale to the public shall distribute, or offer to distribute, coupons or stamps of any kind that are redeemable for cash gifts, or any other consideration.

(7) Any person who violates subsections (1) to (6) is guilty of an offence and is liable

(*a*) on conviction on indictment, to imprisonment not exceeding five years; or

(*b*) on summary conviction to a fine in the discretion of the court or imprisonment for not more than one year, or to both."

● (1610)

He said: Mr. Speaker, the amendment that I am putting forward on behalf of my party is with respect to false advertising. The Food Prices Review Board, which this board set up at a cost of some $2 million to the Canadian taxpayers, did certain investigative work and made certain recommendations. The amendment that I propose incorporates many of those recommendations. It seems to me it is only right and proper that in a bill which purports to do so much for the consumer, according to the minister, many of those recommendations should be incorporated. Since the bill does not contain them, my party is proposing this amendment. For example, subclause (1) provides:

No person shall offer a product for sale to the public under conditions which enhance, or are intended to enhance, the appearance, colour, or other characteristic of the product in an artificial way or through artificial means, or which are intended in any way to deceive the public as to the true appearance or quality of the product, or both.

Surely, putting that kind of amendment into consumer legislation is not interfering with the way in which corporations do business. Surely, to ask the supermarkets not to place red lights over the meat counters—a practice that is common across this country—thus enhancing the colour of the product, is only common sense. The minister said once that this bill would be the Magna Carta for consumers. Surely, to amend the legislation in this way will assure consumers, when they go to the marketplace, that they will not be confronted with such gimmickry which is designed only to deceive.

[Mr. Deputy Speaker.]

When we teach our children that it is important to tell the truth, we should demand no less from those who are in the marketplace trying to promote their products. There is a double standard in our society when we are prepared to say to our young people "be truthful" and then we permit the practice of deception. For example, it is a common practice to inject into meat certain colouring substances to give the impression that it is tempting or fresh meat. That kind of practice can even be harmful to the human body, yet we do not legislate that kind of deceit out of the marketing practices in this country.

This is not a radical or earth-shaking amendment to any consumer legislation; it is only common sense. I have never sat in the board room of any corporation, but I listen to the consumers in my constituency, as I know many hon. members here do, and I am sensitive to their reactions. One should also be sensitive to the ways in which consumers can be bluffed. This is, in many cases, a widespread practice and the consumer suffers as a result.

The second part of the amendment which we ask the House to consider provides:

(2) No person engaged in the supplying of products to the public shall obstruct the view of cash register windows or, in any other way, whether deliberate or not, conceal the price actually being charged to a customer.

Surely, every customer has the right to know what he or she will be paying and if that is the price rung up on the cash register. There is a move toward computerizing the registering of prices. As I have mentioned before, a new system is coming into being of coloured lines being put on the product. In effect, that is going to be recorded in the computer and the price rung up on the total amount for the consumer. Surely, it is not too radical a request to ask that the price which is rung up on the cash register be clearly visible to the consumer.

The Food Prices Review Board, in their 1973 report on practices which they noted were prevalent in November of 1973, called the hiding of cash register windows "another deceptive device, long protested by consumers". They said it was—

—the practice adopted by many stores, of hiding the back window of cash registers with a large quantity of minor items or magazines. This means that as they unload items from shopping carts, customers cannot watch the price being charged by the cashier for individual products. The board considers that regulations should require that both the cash register windows, back as well as front, should be clearly visible at all times.

The problem of the public not being able to see the price as it is rung up, however, is nothing compared to the problem the public is going to face when it tries to compare prices under a new computer check-out system which will completely eliminate the price marking from the product, at least in any language the consumer can read. I pointed out earlier that when such a pricing system comes into effect it will make the so-called outlawing of double-ticketing irrelevant because there will be no way in which the consumer will know when there has been a price change. Surely, this amendment is not asking too much, and surely it cannot be considered too radical. As I pointed out before, it is the right of the consumer to know, and to be assured that what he has paid is in fact the price of the item he selected and put in his basket.

Another part of our amendment reads as follows:

(3) No person shall offer a product for sale to the public that does not have the price per unit clearly indicated on the item or in some other way.

We have seen several instances of this. The Consumers Association of Canada has called on the Department of Consumer and Corporate Affairs to make it illegal to sell any merchandise not marked with a visible price tag. Surely, when the item is advertised or the price is put on the item it should be possible to make a comparison with the price per unit of the same product in another container. Why should it be that when you buy ten ounces of a particular product for $1.50, which works out at 15 cents an ounce, you find that a 15-ounce package of the same product is marked with a higher price per ounce, even though it is exactly the same product, manufactured by the same company? The only thing that is different is the size of the package.

The matter becomes even more complicated when you get all sizes of packages. For example, we get a can of fluid containing 4.75 fluid ounces, and other cans of the same fluid containing 4.50 fluid ounces. I mentioned before that there were 17 sizes of cereals, 11 sizes of crackers, 7 sizes of pasta, 8 sizes of processed meat, 7 sizes of frozen vegetables and 6 sizes of instant coffee. One can imagine the problems with which the consumer will be faced if we do not try to standardize our procedures of marketing products so that the consumer can have the benefit of the best possible price.

● (1620)

Surely, if we were to standardize packages and place on them the price per unit, the consumer would be able to go into that jungle and compare prices in an intelligent and knowledgeable way. One can only assume that the reasons for these various sizes and for the absence of unit pricing is to confuse the purchaser and to obfuscate the issue and, as a result, rip off the consumer. Surely, to ask that kind of protection in a consumer bill is not an unreasonable request.

Another part of the amendment we have proposed is that no person shall offer a product for sale to the public which, in terms of price, exceeds per unit the price at which smaller quantities of the same product are offered by the same person. It seems to me that I covered that matter in my previous remarks. This part of the amendment attempts to bring some kind of order into the marketplace so that the consumer can benefit from that kind of system.

Another part of our amendment proposes that no person shall offer a product to the public for sale at a price which does not actually reflect the intended consequences of any government subsidy program then in effect with respect to that particular product. In the past there have been many examples of subsidies paid—powdered milk is one—where the government, in order to keep down the price to the consumer, offered to the manufacturer a subsidy on a particular product; and lo and behold, it was found that the consumer was not receiving the benefit of the subsidy. We found the price was steadily rising in spite of the fact that the manufacturer or processor was receiving a subsidy on the product.

Surely, it is not unreasonable to ask that a bill to protect consumers should make it illegal for any processor or manufacturer not to pass on the subsidy which he receives from the people of Canada for that specific purpose. If it is not passed on, surely it ought to be an offence against the people of Canada because it is taking money under false pretences. I also point out that we have never provided any machinery whereby a consumer who has been ripped off as a result of predatory practices can be reimbursed. However, we will have an amendment later which will try to correct that situation.

We have also included in this part of our amendment the provision that no person who offers a product for sale to the public shall distribute, or offer to distribute, coupons or stamps of any kind that are redeemable for cash, gifts, or any other consideration. We return to another very prevalent practice in this country, that is, the practice of handing out coupons or Gold Bond stamps for the purchase of food or other products.

My colleague, the hon. member for Northwest Territories, pointed out earlier that nothing is given for nothing: if you are receiving something, you have to pay for it. The practice of giving Gold Bond stamps and coupons is one for which the consumer pays; the cost is added to the price of the products. The company does not take a lower profit margin. Someone has to pay for the advertising of that program; someone has to pay for the gifts or prizes which are handed out. If a company is prepared to have that kind of program, instead of using money for the printing of coupons and for gifts it should use it to reduce prices.

Canadian Tire is a prime example of this kind of thing. If one buys $60 worth of goods, Canadian Tire is prepared to give $6 in coupons. If Canadian Tire is prepared to give $6 in coupons, it ought to be prepared to reduce the purchase price by 10 per cent. But no, the purpose is to have customers come back and spend more money there. Of course, this is discriminatory in respect of people who live in rural areas and do not often go to large urban centres where they can buy regularly from Canadian Tire stores. They may go once and not return. The point is that they never have the opportunity to take advantage of the lower price which may accrue to them by turning in the coupons.

Surely, it is not unreasonable to ask companies like Canadian Tire to advertise that they will offer a discount to customers and to indicate how much that discount is and what it is discounted from. Surely, it is not unreasonable to ask them to advertise in an honest and truthful way. Let the consumer know just exactly what he is paying for: that is very important at today's prices.

We are willing and anxious to jump in and control wages, and supposedly we want to control prices. It is not unreasonable to do even better than that and to tell companies how they shall operate when selling products to consumers. I suspect that if we did not have these predatory practices, prices would not be jumping as wildly as they have been and forcing workers to demand more wages, resulting in the kind of war measures act we saw introduced today.

Another part of our proposal deals with punishment for those who disobey this amendment. I would point out that it is not just the New Democratic Party which is advocating this: the Consumers Association of Canada and its

95,000 members have passed a resolution calling for many of the things I have listed in this amendment. For example, the Consumers Association of Canada last summer passed a resolution calling on the Minister of Consumer and Corporate Affairs to make it a legal practice that pricing be clearly placed on items consumers contemplate purchasing. The consumers of Canada as represented by that association are calling upon the minister to implement many similar proposals.

All we received during the meetings of the committee, and in this House, have been promises that some of these things will come in the next phase of the bill. It is always next year or the next phase of the bill. One has only to look at the history of this bill to see that next year is indeed a hollow promise, and has been since 1971. In 1971 it came in as phase one and phase two together. The government was going to do this as well as look at monopolies, vertical integration, interlocking directorships, and so on, but the corporate sector howled so furiously that the government decided to split the bill and bring forward its more innocuous part, which is here today.

Here we are, at the end of 1975. It took four years to get this part of the bill to the House. Can you imagine how long it will take before phase two comes before the House? Who is the minister kidding when he says we will have phase two next year? Don't forget all the flack that is put up when an attempt is made to move in on monopolies in this country; yet all we keep getting is that next year, or in the next phase, the government will consider these things. How easy it is to say to the people of Canada that there will be a freeze on wages; how easy that is to implement. But according to the minister it is difficult to start moving in the marketplace and telling companies that they shall operate in a certain manner for the benefit of consumers. Surely, Mr. Minister, if we can do one we can do the other. Surely, it is not unreasonable to expect that from the minister who calls himself the minister of consumer affairs. But it must be remembered it is "consumer and corporate affairs." We often forget that part, and I wonder if he really is not the minister of corporate affairs rather than of consumer affairs.

● (1630)

These amendments are not radical by any stretch of the imagination. They are not amendments which emanate just from this party, but from every interested consumer group in the country, and as a result there is wide support for them. As the minister has admitted, he will not be embarking upon a new area: many provinces have legislated many parts of this kind of proposal, so he will be strengthening their hand.

I appeal once again to the good sense of members on all sides of the House to support this amendment.

Mr. F. A. Philbrook (Halton): Mr. Speaker, I would like to address myself to motion No. 20, starting with a few general remarks. As a member of the finance and industry committee, I spent more of my time on the competition bill, Bill C-2, last session than on any other piece of work. In addition to many committee meetings, I and my Liberal colleagues spent many hours preparing for these discussions. That time was well spent and was a credit to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) as well as his parliamentary secretary at that time.

The competition bill is not only important; it is extraordinarily challenging. Free enterprise is one of the most important elements of our mixed economy and our democratic way of life, and competition is one of the most important elements of free enterprise. Both are normal features of Liberal philosophy. However, every man's freedom encroaches on the freedom of every other man and, ironically, the more effectively a man competes, the more he tends to eliminate competition.

Thus, we have seen great powers develop in our type of society. We have seen freedom and free enterprise eroded by itself. Competition, the lifeblood of our way of life, has eliminated competition, because not all competitors are equal and not all competitors play by the spirit of the rules. Freedom and opportunity are sacrificed to efficiency and power. Thus, we must have a balance in both freedom and competition. Ideally, the market forces would safeguard this balance and government intervention would be unnecessary. But, unfortunately, it has not always worked out this way in practice and necessary legislation has resulted. Such necessary legislation is also a normal feature of Liberal philosophy.

Market forces are delicate and complex and very difficult to replace with a set of rules. But public opinion has decreed that there is no longer enough competition in the marketplace, no longer the best combination of high quality and low prices, whether for goods or services. Public pressure has decreed that the government must get involved, be the arbiter in the marketplace, protect the consumer; and not only protect the consumer but also the small competitor, the typical Canadian businessman.

As detail after detail of such legislation is examined, as witness after witness states his case, some general problems begin to emerge with this type of legislation. Firstly, much of it has to be left in generalities because it is a physical impossibility to cover all possible case examples which might occur. Secondly, there is a grey area in the middle of each ruling where only experienced and wise judgment can begin to cope with the right balance between protecting the interests of all parties involved—the customer, the big business, the small business. Thirdly, in many aspects of the legislation the fine line is crossed from the original intention of assuring healthy competition to the related and worthy area of protecting the customer from the businessman. For clarity, these sections should perhaps have been part of a consumer protection bill rather than a competition bill. Indeed, some aspects of the legislation might even suggest the need for a businessman's protection bill.

These aspects of the bill which tend more to protect the consumer or individual than to protect competition include perhaps foreign laws and directives, conspiracy relating to professional and amateur sport, misleading advertising, materially misleading warranty or guarantee, double-ticketing, pyramid selling, referral selling, bargain prices, bait-and-switch selling, sale above the advertised price, promotional contests and price maintenance. However, it may be argued that to whatever extent these tactics are able to deceive the customer or individual, there is also a potential to gain some market advantage

and thereby eliminate competition. Therefore, these clauses will probably remain too difficult to define and need to remain in the act.

Whatever the content, this act will involve many fundamental aspects of our way of life. To be workable, it will require the co-operation and good faith of all sectors of society, including any tribunal or commission which might have to be set up to carry out the provisions. Such a body can become frighteningly authoritative, even unfair, but this must not be allowed to happen. Not only must the consumer and small competitor be protected, but also the legitimate rights of the large competitor. That, too, is only fair.

If all parties were to play fair with our own system, as they should, enforcement of this act would not be necessary. However, many of us, be we businessman, labourer, consumer or whatever, are our own worst enemies. Until we all understand the true spirit of our system upon which this act is based, there will be infractions which the marketplace cannot handle. Hopefully, this legislation will be able to resolve such cases, not with the precision we would prefer but at least with some measure of justice.

In that spirit, then, Mr. Speaker, I would like to conclude by speaking against motion No. 20 to amend the bill. This motion, as already indicated in discussing motion No. 11, poses the problem as to whether the consumer can be better protected by criminal law prohibitions of very specific practices or well formulated general rules which can apply to new problems as they develop. The government is not convinced that the benefits to be gained from the specific enumeration of offences, such as those proposed in motion No. 20, outweigh the danger that any such list will be viewed as an exhaustive statement of prohibited practices. This would have the unfortunate result of exempting other forms of false market information from the purview of the act.

It should not be forgotten that the very general prohibition of misleading advertising in the Combines Investigation Act has produced very extensive jurisprudence which has applied a prohibition, stated in very concise form, to a large number of specific representations. This process has not, however, restricted the prospects for application of the provision to new problem situations as they arise. With regard to the specific offences proposed in motion No. 20, there would also seem to be some question about whether the punitive power of criminal law is necessarily the most appropriate means of controlling in all cases the kinds of abuses mentioned.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question? The question is on motion No. 20 in the name of the hon. member for Nickel Belt (Mr. Rodriguez). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section 11 of Standing Order 75, the recorded division on this motion stands deferred.

● (1640)

The House will now consider motion No. 21 standing in the name of the hon. member for Nickel Belt.

Mr. John Rodriguez (Nickel Belt) moved:

Motion No. 21.

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by striking out the proposed subsection 38(5), lines 12 to 14 on page 41, and renumbering the following subsections accordingly.

He said: Mr. Speaker, this amendment seeks to plug another loophole in Bill C-2. The bill on one hand outlaws a particular practice and on the other hand it creates a loophole through which an elephant could crawl. For example, the particular section we seek to amend says that a suggested retail price is outlawed, but in the next breath it creates an exception when it says that the prohibitions do not apply to a price affixed or applied to a product, its package or container; such items are exempt from the provisions governing suggested retail price.

In committee, I asked the minister his purpose for including that exception. He said, "I had a good reason for it some time ago; let me find out what it was." I suggest that his only reason was the creation of this particular loophole. Surely, the way to sidestep the provision forbidding the suggested retail price is by printing the price on the container or product at the factory. In that way manufacturers or wholesalers can sidestep the provisions governing suggested retail price. We ask for the loophole to be closed, for the exception to be eliminated.

This kind of theme runs right through Bill C-2. Most of us know that this country's anti-combines legislation has a bad reputation. When I first came here I heard talk of anti-combines legislation being introduced. Most members who heard the talk said, "We have no faith in it." Not many in this House put much faith in the sort of anti-combines legislation this House has passed ever since 1889. Even today, not many of us have much faith in this kind of law. The penalties for breaking our puffery anti-combines provisions were little more than a licence fee which companies paid to continue the practice. That is true even today, as is evident from monopolies which have grown up over the years. We must eliminate that kind of situation. I suggest that the proposed amendment will close at least one loophole. I will not labour the point. I ask the House to support the amendment so that we can plug one loophole by eliminating the exception provided in the bill. As I say, our amendment seeks to eliminate that exception.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section 11 of Standing Order 75, the recorded division on motion No. 21 stands deferred.

The House will now consider motion No. 23, standing in the name of the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 23.

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 19 by striking out line 21 on page 43 thereof and substituting therefor the following:

"may be instituted at any time within two years after the".

Motion No. 23 (Mr. Ouellet) agreed to.

The Acting Speaker (Mr. Turner (London East)): I believe there is unanimous consent for the Minister of Consumer and Corporate Affairs to introduce a new motion No. 5. With unanimous consent, the House will now permit the minister to introduce this motion.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I indicated during committee consideration of section 3.14, strong representations were received to the effect that because of special considerations relating to the nature of the soft drink bottling industry, investments made in the industry might be jeopardized by the market restriction provision of this section. After careful consideration of these representations, the government concluded that an amendment covering the basic concerns of the industry would be acceptable. As a result, section 31.4(7) was proposed and accepted by the committee.

Some hon. members now wish to see this provision widened to exempt all franchise arrangements of whatever kind. Such an extension would effectively emasculate the provisions covering exclusive dealing, market restriction and tied selling, because these practices are not commonly used outside the area of franchised distribution. I should also point out that constraints on franchised distribution under United States law similar to those which appear in this bill have not prevented the United States from leading the world in the development of franchise arrangements.

In order, however, to expedite passage of this bill, the government is prepared to extend the exemption now contained in section 31.4(7) in a way that will ensure that the franchise operation involving a multiplicity of products obtained from a competing source of supply will not be subject to section 31.4. I am, therefore, ready to accept the amendment to motion No. 5 proposed by the hon. member for York-Simcoe (Mr. Stevens) but with a further amendment which will clarify and qualify certain aspects of franchise operations. I am, therefore, pleased to move that all the words in motion No. 5, in the name of the hon. member for York-Simcoe, following the word "following" be struck out and that there be substituted the following:

"(C) A company, partnership or sole proprietorship is affiliated with another company, partnership or sole proprietorship in respect of any agreement between them whereby one party grants to the other party the right to use a trade mark or trade name to identify the business of the grantee, provided

(i) such business is related to the sale or distribution, pursuant to a marketing plan or system prescribed substantially by the grantor, of a multiplicity of products obtained from competing sources of supply and a multiplicity of suppliers; and

(ii) no one product dominates such business."

and by striking out the word "and" at the end of line 29, substituting a semi-colon for the period at the end of line 34 and adding, immediately after such semi-colon, the word "and".

● (1650)

It is my view that because the exemptions relate to a large variety of inexpensive goods, the possibility of serious distortion of the competitive process as a result of this exemption is more remote than it would be if the exemption covered big ticket items. We intend, however, to maintain a careful watch over development in this field. We will be prepared to amend the proposal I am now making to the House if this proves necessary in the future and if and when circumstances require it. However, I feel that this motion by the hon. member for York-Simcoe as now amended is acceptable. It will in a large way meet various representations that were made from all corners of the House on this subject.

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

Some hon. Members: Question!

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

The Acting Speaker (Mr. Turner (London East)): It is my understanding that there have been discussions regarding motions Nos. 6 and 24. With the permission of the House, we will proceed to the business of private members' hour.

Mr. Ouellet: Mr. Speaker, am I right in assuming you have asked if the House agrees with motion No. 5 as amended, or is it just the amendment that has been voted on? Has the motion as amended been voted on?

The Acting Speaker (Mr. Turner (London East)): It is my understanding that the motion standing in the name of the hon. member for York-Simcoe (Mr. Stevens) was withdrawn, and the minister's motion stands and was carried. Is it the pleasure of the House to call it five o'clock?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when do we deal with motion No. 24?

Mr. Lambert (Edmonton West): And motion No. 6?

Mr. Speaker: Order, please. Hon. members know that motions Nos. 6 and 24 were reserved in an earlier disposition, there being some reservation about the procedural irregularity of the two motions. As it is so close to five o'clock, perhaps hon. members would prefer to begin their procedural argument at eight o'clock rather than now. There is a private member waiting to begin a private members' matter at five o'clock, which is only three or

four minutes away. The argument, I am sure, would scarcely begin before that time. It was for that reason I suggested we call it five o'clock, begin private members' hour and have the discussion on motions Nos. 6 and 24 at eight o'clock. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions for the production of papers. Is there agreement that motion No. 30 standing in the name of the hon. member for Esquimalt-Saanich (Mr. Munro) shall take precedence and be considered at this hour?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

COPIES OF AREA PROGRAM SUMMARIES FOR 1972-75

The House resumed, from Wednesday, March 26, consideration of the motion of Mr. Munro (Esquimalt-Saanich):

That an order of the House do issue for copies of the Area Program Summaries for the years 1972-73, 1973-74 and 1974-75, covering such areas as Commonwealth Africa, South America, Francophone Africa, and any other area breakdowns for which Area Programs have been prepared.

[*Translation*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, before dealing with the motion in my name, I would have liked to congratulate the new Parliamentary Secretary to the Secretary of State for External Affairs (Miss Bégin), but unfortunately I do not see her at this moment. In any case, I congratulate her and I also want to share her satisfaction with her new and well deserved appointment. I also wish to convey to her my best wishes in her new duties. At the same time, Mr. Speaker, I cannot assure her of my full cooperation until she gives the government's answer to the request for production of certain papers.

[*English*]

When this motion for the production of papers was presented in the House on March 26 of this year, the then Parliamentary Secretary to the Secretary of State for External Affairs requested that it be withdrawn on the ground that release of some or parts of these documents "might be detrimental to the future conduct of Canadian foreign relations". To which I say "rubbish."

I am asking for these programs for 1972-73, 1973-74 and 1974-75. I could perhaps understand the reply of the then parliamentary secretary if in asking for 1975-76 programs I was seeking the release of documents on projects now under negotiation. If that were the case, their release might be detrimental to the future conduct of our relations with that particular country or with a neighbouring country. That I can understand. However, I am not asking yet for current, newly shaping-up programs. I am merely asking for program summaries of projects that are already

in the works, projects that are on stream. That is all I ask. Incidentally, I know that such summaries exist. I can hardly imagine how a desk officer in CIDA could operate if they did not exist. Therefore, they are available and I see no reason why they should not be made available to members of parliament.

I still say "rubbish" to the suggestion that the release to parliament of this material might prejudice our relations with the country in question, unless Canada is up to something just a little shady in that country. I have no reason to think we are, and I hope we are not. We certainly were not in any of the countries of which I have knowledge.

My main reason for wanting these documents to be made available to parliament is to enable us, as parliamentarians, to judge the nature and extent, in detail, of our overseas assistance programs. I will return to this aspect of my case in due course.

There is, however, a second reason for wanting these documents, these country by country project summaries, a reason that has been strengthened by developments since I originally put forward my motion. Last May, the Standing Committee on External Affairs and National Defence was able to wring from the government an agreement to allow the committee to examine the changing relations between the developed and the developing world in light of the changed world economic circumstances following the sudden and dramatic increases in oil costs to which we were all subject.

The question I have to ask myself, in these circumstances, is how we are going to examine the changing relations unless we know in some considerable detail what are our existing and present relationships. How can we know what we are changing to until we know what we are doing now and what we are changing from? One way to find out, I submit, would be to have these documents made available to parliamentarians, who could examine them carefully and then decide what we are changing from and what we want to change to. So I say these documents could be released, should be released and, indeed, ought to be released.

● (1700)

Having served for a number of years in the Department of External Affairs, I am aware how frequently, and at times how thoughtlessly, documents can be classified. I was probably guilty myself of overclassifying documents. But in my own defence I submit that I did make an honest effort to get documents declassified more regularly. I dreamed up all sorts of schemes to enable this to be done. But I was invariably shot down. Would it not be ironic in the extreme if, now, some of the documents for which I am asking are those which I myself classified at an earlier period? Ironic or not, I shall face that risk. The government has indulged in the overclassification of documents for long enough, and it refuses—as in the case of a report on personnel in CIDA which we sought to obtain—to declassify anything which might prove politically embarrassing.

I know the criteria for classifying documents; I had a hand in devising them. I respect the need to preserve individuals from hurt or to avoid public disclosure of

material which could damage a person's chances of pursuing his career. But the principal criterion for classification is, and ought to be, national security at various levels, be it "restricted", "confidential", "secret" or "top secret". It should not be party political security, but national security. That is what we are talking about. Documents are being withheld because they could prove embarrassing to the party, not because they could be embarrassing to the nation.

So I contend that these documents ought to be released unless there is a real, down to earth risk to national security involved; for instance—and I use this only as an example—disclosing the improper provision of nuclear reactors to traditional antagonists. I sincerely hope this is not the case. Therefore, I say that failure to release these documents to which we are entitled leaves us with two conclusions. The first is that there is some skullduggery going on which the government is anxious to hide. The other, and I find it equally deplorable, is that the government is so disdainful of this House as to feel it unnecessary to grant its members the documentation to which it is traditionally entitled. In other words, it is declining to entrust to parliamentarians material concerning programs for which the Canadian people will this year be paying an amount in the order of three-quarters of a billion dollars in program development, and goodness knows how much more in export credits.

These conclusions are inescapable unless the papers are released. They were refused on an earlier occasion. I do not know who will be taking part in this debate and will refuse them for the second time this afternoon. But if they are refused, we shall be bound to reach those two conclusions. If we were to be guided by the departmental estimates and the figures contained therein, we would be led to believe that Canada's external aid program amounted, in 1973-74, to over $525 million, to almost $590 million in 1974-75, and to just short of $735 million in 1975-76. In other words, the program has grown from half a billion dollars to almost three-quarters of a billion dollars in those three years.

[*Translation*]

I am very happy to see the new parliamentary secretary here with us, and I congratulate her on her new appointment.

[*English*]

I base those round figures on the estimates only; I have not delved into the Export Development Corporation's figures to discover how much additional overseas assistance is being administered through that organization in the form of credit. As I say, the amount involved has grown from half a billion dollars to three-quarters of a billion in three years—respectable figures. I want the size to register, not because I want to question it but because I wish to discuss the ability we as parliamentarians have, or are allowed to have, to examine the way in which such vast sums are being spent.

As I went over the proceedings of the committee at which these matters were under consideration, I found we managed to work in eight meetings on CIDA. These meetings lasted about an hour and a half, giving a total of about 12 hours in which to examine the ways in which we are spending the vast sum I have just mentioned. If we go more deeply into the time at our disposal in the committee, we find that by and large half of the time allocated to the examination of the estimates was consumed by ministers or officials reading lengthy statements, statements which could easily have been given to members of the committee the night before: I find the excuses given for not doing so completely unacceptable. They could have been handed to us, we could have examined them and we could have begun our questioning immediately we arrived at the committee meeting.

About 20 of us, sometimes more, usually gathered at committee meetings to question the minister and his officials. We had, in all, about 360 minutes, roughly six hours, in which to discuss the manner in which the government is spending three-quarters of a billion dollars. Given that the replies are usually very lengthy, is it any wonder that we feel we have really not managed to get very far with our inquiries? We were allowed 360 minutes, at the most, for the entire estimates, and since each member is allowed only ten minutes in which to develop his line of questioning, how far is he likely to get? It is a major exercise in frustration to examine the estimates of any department, but when the amount involved is as high as this and the subject matter is of such importance, I am sure members on all sides of the House would like more time and more information to be made available to them.

Then, again, once the estimates have been examined, attempts to go into detail of CIDA's overseas activities are frustrated by the minister refusing to permit a reference to the committee of CIDA's annual report, for example. This occurred, to my knowledge based on my own requests, on three occasions this session, first on November 27, then on January 22 and finally on January 31. Each time I asked for a reference to the committee of reports of one kind or another. Each time I was put off and this reference never occurred. The entire exercise, from this disadvantage point, looks very much like a closed shop. Parliament has no right, according to the minister, to look into these matters. That is the government's attitude and it is an attitude I can only deplore.

● (1710)

When, on top of this, ministers take an almost sadistic pleasure in commenting witheringly that the opposition is incapable of formulating questions of substance about CIDA, as I have heard them say in their usual arrogant way, I begin to lose my temper and my sense of proportion. This is another reason behind my request, my insistence that the government produce, as a matter of course, country and area programs, showing country by country and area by area the way in which Canada's half-billion or three-quarter billion dollars are being spent. That is what lies behind my motion for the production of these papers: it is as simple as that.

I believe that parliament and, through parliament, the Canadian people, have a right to know project by project how their aid dollars are being spent. We have had enough criticism, particularly from those in need in these difficult days, about Canada's aid program. They say, "Why do you lend money at no interest rate abroad, yet we have to pay 12 per cent at home?" These criticisms do come up. How can that be explained unless we have this material? We are given a lot of pap by ministers about what good

international citizens we are and how we are working steadily toward the United Nations goal, which seems ever elusive, of 0.7 per cent of our GNP as our aid figure. At the present time, if I am not mistaken, we have reached just over 0.5 per cent in working toward that goal. This is fine, grand, wonderful and makes everyone feel happy. But what are we spending the money on? We do not know—and we should know. The Canadian people deserve to know; the Canadian people are entitled to know.

On April 29 of this year I tabled a series of questions in committee. I knew, by name, some of these projects and therefore I was able to be specific. I will own that the answers were given promptly to those specific questions. But what about members who have not had the opportunities that I have had to know specific projects as they were begun or as they were working their way through the system? Who had ever heard of the Nam Ngum project, for example? It is unfair; members of parliament should have this information as a matter of course.

I therefore ask for the production of these country programs covering the 1972-73, 1973-74, and 1974-75 fiscal years. I think we are entitled to more than just CIDA's programs. For example, I should like to know in what countries CIDA is contributing to CUSO programs, and how far it is assisting other NGOs in particular countries. Further, I want to know whether export credits have been extended to any particular country, and I want the figures. How many students have been sent to Canada from these individual countries? That is not too difficult a matter to bring forward.

In the minutes of proceedings of our Standing Committee on External Affairs and National Defence for April 10, there is a selected list of projects appended as appendix B. I have also seen, bound in convenient form, area or country programs relating to the 200 projects. We are offered a selection of programs. This was in June of 1974. I have also seen country by country programs listed in digest form. These are the documents that need to be produced. But we want all of them, not selections. I believe we are entitled to that, not just to add paper to the piles already covering our desks, and in some cases our floors, frequently finding its way into our waste-baskets. In this case it will not be put in our waste-baskets. We should know how many Canadians are involved on the ground, how much is allotted to each program, how the money is being spent, how much is being spent, and how a project stands on the critical path to completion. These facts are our due.

I placed a question on the order paper earlier this year which related to the number of universities granted funds to develop overseas aid projects, scientific teaching, and so on. I was told that CIDA's accounting system is not geared to extract that information except through a file by file search. I was asked whether, in consequence, I would withdraw my request. I probably will, particularly if I get the papers I am asking for in this debate, because if the documents I am asking for are properly and fully prepared, that matter will be revealed in due course.

I have asked questions in committee about the fundamental need in developing countries for developing proper water supplies and transmission systems for water, knowing how fundamental water is to the very notion of development. Anyone who has been in a developing country knows that it is impossible to calculate the number of man, woman and child-hours absorbed in the simple task of carrying water from a spring to the home for cooking and washing purposes. I raised the question and I was told that I should look at the tense of the verb—they "are" now going to be doing it; in the past they were not doing it so much. But why should that have been left to one side by CIDA and/or its predecessors for 15 years until it has now been taken on in this form? I encouraged the minister, when making a visit to Africa, to examine this particular aspect during his trip.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

● (1720)

[*Translation*]

Mr. Charles Lapointe (Charlevoix): Madam Speaker, the motion of my hon. colleague from Esquimalt-Saanich (Mr. Munro) is quite important since it provides us once again with the opportunity to discuss the program of help to development, and to study the documents prepared by various civil servants from the departments which deal with that matter and I think that in the years and in the months to come it will be extremely important that we all give very serious consideration to that question of help to development.

Having had the pleasure and pride of belonging to the Canadian diplomacy, I think a lot of what my hon. colleague said was true when he mentioned the over-classification in the Department of External Affairs with respect to international policy. However, I think my hon. colleague is misled when he says that political parties or for that matter the political party in power hide behind that kind of classification. Madam Speaker, I cannot agree with that statement since unfortunately that policy may be one of the drawbacks of that career. People in the diplomatic service have to classify a lot of documents since you never know what might happen when a document which may look harmless to an ordinary civil servant is not reviewed, and since it may concern various departments, it might sometimes be prejudicial to declassify that document.

At the outset of his statement the hon. member for Esquimalt-Saanich also said that he resented the fact that those documents were not released because he was asking for documents relating to 1972-73 and the years before 1975-76. Here again I have to disagree with my hon. colleague, since when it comes to developing programs respecting countries, that programming cannot be effected on a mere 12-month basis. Quite obviously we have to take previous data into account, historical and economic data as well as information dealing with bilateral relationships, and we also have to take into consideration a five or ten-year projection, and more specifically with respect to foreign help, some programs extend over several years and others which, even if they are in effect for one year only, may have an impact over a number of years. I therefore believe that certain documents, even going back to 1972, may still be of a confidential nature.

I would now like to address myself more specifically to the motion by the hon. member requesting the tabling of area programs. After reading the motion and learning I

would have to speak on the matter, I inquired with CIDA officials as to what exactly CIDA considers an area program, even though I had an inkling on what was being done in that field of the Secretary of State for External Affairs. The answer I received from CIDA officials is that the so-called area program documents are a part of a whole, and I do not think this is a novel thing to the hon. member.

So these area programs are a part of an overall scheme. Every year they have to go through the same process. There are consultations in the receiving country. Governments for instance are consulted, in countries where aid is to be extended. Those governments are asked to state their priorities, their most pressing needs. Reports are sent to Ottawa by our embassies, by officials in CIDA, External Affairs, Trade and Commerce, National Defence or any other body with a foreign representation or contacts in receiving countries. We act on the basis of these reports that we study, along with certain reports from international agencies such as the World Bank, which are sometimes provided on a confidential basis. With all these documents, we are able to produce one program per country. But our troubles are not over when we get to that stage. The officer who works for CIDA on Bank Street receives some information and develops for a given year a certain program for a given country.

Officers at External Affairs, Industry and Commerce and other departments, including National Defence, do exactly the same job. Then, everything that has been done on this subject in each department is submitted to an extremely strict review because, of course, even though the officer concerned may be very knowledgeable about the particular country, he may not have all the data required to make a valid decision and can sometimes become over-enthusiastic if he favours the country involved, and so on.

This first draft of a program for a given country is then submitted to a program review. I shall not take the trouble to quote all the data related to this review, since my hon. colleague can find them in the paper provided by CIDA in April 1975. My hon. colleague will find that this first draft is submitted to the general review of the highest CIDA officers and that it is then examined by the chairman's office. Afterwards, a study of each program is conducted by an interdepartmental committee and the results of all these reviews are submitted to another interdepartmental committee which includes all departments with international involvements before being referred to the cabinet.

Madam Speaker, the papers requested by my hon. colleague are part of a whole; they are but a link in a chain. I believe that it would not necessarily help us to develop our foreign policy to produce such papers because we can find, in a specific paper, which has not been summarized and studied by the various people involved, things that could be detrimental, I think, and as my hon. colleague the former parliamentary secretary suggested, that could be detrimental to the carrying out of our foreign policy. I am firmly convinced of that.

I also consider that when my hon. colleague says that it is frustrating to work on the Committee on External Affairs and National Defense and to have to consider under pressure in a few hours estimates exceeding $700 million that it is undoubtedly frustrating for committee members to say that they must be passed in a hurry when sometimes one does not quite know what one is talking about.

However, I think it is not the purpose of the motion nor my purpose here to pass judgment on the system used in the parliamentary committee. My colleague could introduce another motion and we could discuss that subject at another time.

On the other hand, the question raised is of very great importance because we do not always have all the necessary tools to carry out our work conscientiously. I am not suggesting that the tool requested by my hon. colleague is the good one. However, I think we should all together here in this Parliament consider the possibility, and let us take the case we are concerned with at the moment, namely the question of the Committee on External Affairs and National Defence, so the political parties will have either a delegate or members of the Committee on External Affairs will be invited as observers to certain inter-departmental meetings where the main orientations of our aid policy are decided. I think that would allow us to pass a much more consistent and much more enlightened judgment on the policies put forward by the government.

I would finally like to point out that the problem raised, as I mentioned earlier, the problem of development assistance is a basic one, especially after the seventh special session of the General Assembly of the United Nations which was held in New York in September. The new economic order has been defined in a very general way.

I think that we must all, as parliamentarians, during this year endeavour to study more specifically the implications of the new international economic order and tackle the task which has been delineated not necessarily for us alone parliamentarians but also for the Canadian people. This task was defined by the president of the Canadian International Development Agency who, at the Vienna Institute, spoke on development and co-operation and concluded his speech as follows:

> The establishment of a new social order in which the men of all nations, rich and poor, will shape their common fate as a challenge to the collective conscience of mankind.
>
> From a moral point of view it is no doubt a matter of duty, but it is also a possibility which can become reality.

I hope, Madam Speaker, that we will all endeavour as parliamentarians to make this possibility come true.

[*English*]

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I should like to congratulate the hon. member for Charlevoix (Mr. Lapointe) for trying to defend the indefensible, and doing so quite articulately and spiritedly. There is an old saying among lawyers that when you have a tough case you pound the books, and when you have an impossible case you pound the desk. I heard a lot of desk-pounding from the other side of the House.

● (1730)

I would also like to congratulate the hon. member for Esquimalt-Saanich (Mr. Munro) for bringing forward this motion. Needless to say, our party supports him 100 per cent in his attempts to bring forward this necessary infor-

mation to make parliament work because, quite simply, that is what he is asking. This is almost entirely a privilege motion asking those of us who have to work in this area to be given a chance to do the job.

This is not the first time the opposition has requested a fairer share of information about the operations of CIDA. Last February my colleague, the hon. member for Greenwood (Mr. Brewin), spoke in support of a motion moved by the hon. member for Saint-Hyacinthe (Mr. Wagner) which deplored the secrecy that surrounds CIDA. I am sorry to see today that nothing has changed in the government's attitude. The principle at stake, which is the openness of government operations in general and CIDA in particular, is most important. From time immemorial governments have desperately tried to protect themselves from the discovery and criticism of their blunders by throwing a cloak of official secrecy over as wide an area as possible.

The right of parliament and the public to information on foreign aid is absolutely vital and tremendously important if the foreign aid program is to have any continuing public support. At present it is losing support among the public, I am sorry to see, and one of the reasons for that is this continuing government secrecy about its own programs.

CIDA has been the subject of scandal and rumour recently. A number of very expensive programs have been found seriously wanting. The press has reported great sums spent on railways that do not exist and sewer systems that do not work. Beyond that there have been reports of internal dissension, staff turnovers, and serious criticisms by an independent professional body, Price Waterhouse. It was because of these rumours that the opposition called for further disclosures last February. Our party regretted the government's stubborn refusal to provide the necessary information. We will regret it again if the government refuses the reasonable requests of the hon. member for Esquimalt-Saanich.

The necessity of disclosure has more important dimensions than those of the occasional blunder. It is important now for the country to begin to debate the spirit and purpose of foreign aid as it has developed since the war. But we cannot begin to do that without the necessary information. I said earlier that the government has not changed. Ministers continue to be the same stubborn, arrogant and secretive bunch. But our appreciation of foreign aid itself is changing.

There is a body of literature emerging now which puts the purpose and design of present aid programs into serious doubt and calls out for a very serious and fundamental review. Such a review cannot begin unless we are first able to understand the agency, its tasks and its approach, not only in general but in detail. We should really be calling into question the purpose and design of the foreign aid programs of the entire western industrialized world. What seems more obvious to observers every day is that, whatever may be the intention of these programs as they are now designed, far from helping third world countries to develop to a stage of independence consistent with their national potential, they prevent the third world from developing self-reliant socio-economic societies.

Most of Canadian aid, about 70 per cent, is channelled through CIDA's bilateral division. Aid in this division ranges from outright grants to loans at slightly less than the going rate. Increasingly this aid takes the form of loans which must be repaid, and increasingly such loans are being used by client countries, with the encouragement of the developing countries, to balance their budgets, in individual cases, a budget which then continues to increase in deficit and tie the developing country increasingly to the aid country.

The value in real purchasing power in terms of manufactured goods of the exports of developing countries has plummeted in the past 20 years until, with respect to commodities like sugar, cotton, coffee, jute and tea, their purchasing value has lost ground drastically. Quite obviously then, increases in the purchases of manufactured goods from developed countries distort local economies drastically, causing physical disaster and social disorder.

Borrowing from the World Bank in order to finance development is conditional upon acceptance of the advice of the IMF, advice which is founded on economic liberalism, the widest possible play for free market forces, and the narrowest play for government intervention which may protect the client country from imports and encourage indigenous substitutes for the products of the western industrialized world.

Acceptance of IMF guidelines encourages a dependence on imports in the client country, but with the continued decrease in the real purchasing power of their exports developing countries go more and more into the hole. Increasingly foreign aid is used and encouraged as a balancer to make up the difference in the cost of imports and the price received for exports. Therefore foreign aid is not fostering self-reliant development but just the opposite; it encourages increased dependence by cushioning its immediate effects on the local economy.

The hon. member for Charlevoix referred to the new economic order. I think it is probably the most encouraging thing to happen in terms of international aid in a very long time. I am disappointed from time to time, when I attend international conferences, to listen to the rhetoric of the third world representatives who blame so many of their problems on an imperialist system. In my view, some of that information may be right, but they do no service whatsoever to their own cause in continuing to belabour that argument because the developing world is ready to help and enter into serious negotiation in terms of the new economic order. I suggest that the third world representatives whom I meet at these conferences tend to be their own worst enemies. If they would forget about the shibboleths of the past and get on to the future in terms of the renegotiation of prices of world products, we would make significant gains in terms of helping third world countries.

Some hon. Members: Hear, hear!

Mr. Leggatt: I want to end by agreeing with my colleague, the hon. member for Esquimalt-Saanich, in what he had to say about the operations of the Standing Committee on External Affairs and National Defence. Those of us who have to struggle on that committee with almost no time to deal with meaningful questions, and to deal with a government which may refuse this motion—I hope it will accept it—cannot do a job with the kind of limited facilities that are available to that committee.

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I hope that the government will give serious consideration to expanding the role of the committee, to expanding its terms of reference, to providing us with wider powers in terms of subpoenaing witnesses, and let parliament itself take a serious and deep look at the subject of foreign aid, because I think that in that committee there is substantial agreement among all members, no matter of what political persuasion they may be, that they want to do a better job in terms of foreign aid. I think this is not the time for the government to be partisan on the subject. Good will in that committee can go a long way in helping our government do a good job abroad.

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I fully support the motion presented by the hon. member for Esquimalt-Saanich (Mr. Munro). It is long overdue. We certainly need complete disclosure of all CIDA documents.

There has been a new CIDA committee established to deal with CIDA and its programs, but unless we have all the documentation and all the evidence in regard to how CIDA operates, there is no way in which we could do a complete job. The terms of reference establishing this committee are a farce. They are nothing else but a motherhood motion, and just another cover up by the government which is most reluctant to allow a complete and thorough investigation into the operations of CIDA. I have presented some evidence to the Auditor General who is looking into some of the matters for me. If we are going to be blocked as we were in the last committee meetings, I would call on the Auditor General to do more investigations into CIDA operations.

● (1740)

I should like to refer to an article which was written a number of months ago in regard to CIDA. The headline reads "'Spend, spend' (it's your tax money) How CIDA Squanders Cash on Bungled Overseas Aid":

The Canadian International Development Agency is rushing to spend $117 million within the next few weeks in an effort to impress treasury board officials.

Lagging disbursements in the bilateral branch of CIDA are causing concern because they shortfall the treasury board's $497.95 million limit set for 1974-75 spending.

CIDA apparently feels it must spend the leftover $117 million in order to strengthen its bargaining position when the treasury considers the agency's 1975-76 cash allocation.

This effort tends to bear out one of the main contentions of CIDA dissidents—that the chief emphasis in the agency is placed on producing figures to support an impression that Canada is in the vanguard of nations providing development assistance.

The purpose is to meet the target of the World Bank's commission on international development once headed by the late prime minister Pearson.

The target was that, by 1975, official aid should reach 0.7 per cent of the gross national product of donor countries.

In fact, the Canadian government has never set a specific date for achieving this objective. It remains a CIDA preoccupation without official sanction.

Commenting on the CIDA operation, Madam Speaker, the article says:

"Your career in CIDA depends on how you spend", a former agency official said. "You are constantly being hammered over the head and told 'Spend, spend'."

[Mr. Leggatt.]

That is enough reason right there for our looking at all the documents in dealing with the operations of CIDA. That is the least we can do for Canadian taxpayers. We should not suppress these kinds of goings-on in CIDA.

The article continues:

"It's not how well you spend your money, but quantitatively. Can you spend the budget allocated to you? That's what counts."

A second official said: "The whole criterai here is spend. Anyone who says it isn't doesn't know the facts."

Especially, there is CIDA's president, Paul Gerin-Lajoie, a deputy minister unlike the others, who has his own firm ideas about running CIDA.

When Gerin-Lajoie refused last May to let the Commons external affairs committee see a management consultant's report on CIDA's high personnel turnover, he was assured that the MPs would henceforward take a much greater interest in the aid agency's affairs than in the past.

The Conservative external affairs critic, Claude Wagner, said the refusal amounted to contempt of the House.

It is amazing how little information we have been able to obtain from Mr. Gerin-Lajoie in the committee meetings. As one newsman stated, the opposition did not even lay a glove on him. That is a disgrace. We cannot lay a glove on him because we cannot obtain the information. It is an exercise in futility sitting in those committee meetings. We had to hammer away at the government in the committee and raise motion after motion, and finally it condescended to allow us to establish this new CIDA committee, but with our hands tied due to very weak terms of reference.

I should like to give further comments on why there has to be complete disclosure of all these documents from an article which points out the following:

CIDA's critics do not argue with the use of even more money to send wheat to drought-stricken areas, to vaccinate cattle, to develop agriculture and commercial fishing, to build badly needed bridges, power dams and irrigation systems.

But many of CIDA's country-to-country projects have been arousing interest.

The article goes on to give as an example:

A machine which weighs grain and automatically fills and sews up bags, was delivered to Calcutta, India, about a year ago at a cost of $300,000.

Fortunately, it has not been installed for use since labour-saving devices have sometimes provoked riots in Calcutta, a city with massive unemployment.

What happened to this $300,000 machine? Has it been brought back to Canada, or is it sitting there rotting? We are entitled to have this information.

The article goes on:

But CIDA recently had tenders out for a second and more advanced machine of the same kind, estimated to cost $500,000.

So there has been $800,000 put out on two machines, and we are not even sure if they are operating.

The article continues:

In Senegal, where labour is similarly cheap and plentiful, the polytechnical school at Thies is equipped with automatic dishwashers, according to CIDA employees. Also a ham slicer, a curiosity in this Moslem land where dietary rules forbid the eating of the flesh of swine.

This would certainly indicate that there is great mismanagement in the CIDA operation. I should like to point out that the only way we were able to obtain any sound

information at our last committee meetings was for CIDA project officers to telephone from countries like Kenya and other places to give us information, and to send us documented information on the mismanagement of CIDA's projects. Therefore I realize why the government does not want to reveal any of its documents.

The article continues:

Schools have been built in several hot countries along Canadian lines with few windows but plenty of electric lights.

"You know what happens?" said a CIDA man. "The hydro in these countries is a terrible price, so what happens is that the local government can't afford to use the building and it's wasted."

I should also like to read some other comments from CIDA staff members, such as the following:

"Ours is a terribly complicated agency. It requires people who know the whole range of subject matter in very sophisticated management."

That is exactly what we are trying to find out. If we have all the proper documentation, we can do a job in committee in regard to the CIDA operation and foreign aid. The staff member continued:

"Not only know it, but can implement it. But I can't see in our agency one single individual with that capacity. We have had them, but they have quit.

They have been hired only a very short time when they shrug their shoulders and say, 'Nobody wants to use any expertise. They all know better than I. I have been given no authority to implement things. I can't get decisions. To hell with you. I'll go somewhere else.' "

We have had reports from CIDA project officers that they are left stranded in countries; their telegrams are not answered; their letters are not answered. They do not know what to do or in which direction to go. This indicates more mismanagement within CIDA, and explains why we must have a complete examination of all these documents.

I quote again from staff comments:

"There are some projects where decisions have been made by a project officer who hadn't the slightest idea what he was doing when he put his name to a document which amended the project.

It's going to cost us our shirts and it's going to cost the countries involved their shirts, but they can't afford it like we can. There are errors based on sheer stupidity which are costing two, three, four million dollars.

There is a complete and appalling lack of leadership... I see a complete failure in the agency to develop younger people. God, some of these younger people have got an idealism.

We have grown up in an atmosphere of absolute amateurism. The only thing that has enabled the program to be as valuable as it is at the moment is the relatively small handful of people who by sheer work have got things done, if not as well as they should like.

I think the situation is getting worse, rather than better. The pity of the whole issue is that the senior levels of management don't themselves understand what is wrong."

It is a fair conjecture that all of these criticisms have not reached Gérin-Lajoie. His personal staff have a reputation for shielding him from such irritations.

Paul Gérin-Lajoie has been described as a man who loves humanity but dislikes people, according to a former top CIDA aide who once had regular contact with the... agency president.

It is said that many of the present 930 CIDA employees don't even know what their boss looks like in the flesh because he restricts internal office contact to the few.

I think it would be an excellent suggestion if some members of this new CIDA committee visited some of these CIDA projects to have a first hand look at what is going on, and to speak to these project officers.

I continue quoting:

Unlike all other deputies, Gérin-Lajoie does not make his home in Ottawa, preferring to commute to Montreal for weekends he is not travelling around the world.

The criticisms go on about the operation and its management, and we are hardly any the wiser. Had it not been for these project officers giving us this information in the last few months, we would know very little about the whole CIDA operation. I find it very strange that the government members want to conceal these documents. I think the Canadian people are entitled to full disclosure, and in order for this committee to work properly all these documents should be presented to the members for study.

● (1750)

Mr. Claude-André Lachance (Lafontaine-Rosemont): Madam Speaker, I should like to refer to my colleague who just talked, and I say it was rubbish what he said about Mr. Gerin-Lajoie—

The Acting Speaker (Mrs. Morin): The hon. member for Winnipeg South Centre (Mr. McKenzie) on a point of order.

Mr. McKenzie: On a point of order, Madam Speaker, I was quoting project officers' statements from a news report, and this news report has never been repudiated. If those statements were rubbish, the government or CIDA should have answered the news report.

[*Translation*]

Mr. Lachance: Madam Speaker, the matter under consideration today has, in substance, made a lot of ink and saliva run on the floor of this House as well as in the newsrooms of the media. I said, in substance, because I feel there is no doubt about the motives of the mover of this motion who is seeking, through his demand to table the Area Program Summaries of CIDA, to disclose the contents of government documents, a subject that is recurring periodically during the sittings of the House.

In my opinion, today's motion is nothing more than a pretext and the procedure is not new. Besides, we have noticed in that last few months a notable outbreak of this procedural device to raise periodically the well closed lid.

Periodically is even a mild expression, since every occasion is a good one, even the most futile subjects, to question the cogency of the "confidentiality" of some government documents.

Yet the rules of the game are clear and to make them even more obvious, so as to leave no room for doubt about the general principle of confidentiality, the Secretary of State for External Affairs (Mr. MacEachen) in a speech on March 15, 1973, explained some guidelines and tabled the 16 recommendations the government can sometimes invoke to deny the production of confidential papers and reports of consultative committees. The statement followed a speech by one of our procedure experts in the House, the hon. member for Winnipeg North Centre (Mr. Knowles), who then gave the reasons why he thought the confidentiality principle should be changed so that every document would be considered public unless the government justified its wish to have the document considered confidential.

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Then rose in the House another procedure specialist, the then President of the Privy Council (Mr. MacEachen), who stated the position of the government on this subject. He said, and I quote:

My approach and the approach of the government is exactly the approach of the hon. member for Winnipeg North Centre. Our objective is to make as much information available as possible. We believe that Members of Parliament require factual information about the operations of the government in order that they may carry out their parliamentary duties. That statement is included in the general principle. We are also aware that the desire to make available as much information as possible must be balanced against effective public administration, protection of the security of the state and rights to privacy. It is always a delicate matter of judgment to balance the desire to make information available with the effective administration of the government, security of the state and other considerations.

Mr. MacEachen then went on to explain the reason for this general principle—

The Acting Speaker (Mrs. Morin): The hon. member for Esquimalt-Saanich (Mr. Munro) on a question of privilege.

Mr. Munro (Esquimalt-Saanich): I got the impression, while listening to the hon. member who now has the floor, that he is questioning my motives to pursue this question. I protest energetically against this insinuation regarding my motives which are as parliamentary as can be. We are entitled, Madam Speaker, to have a look at documents which report on the activities of CIDA abroad.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is certainly aware that the question of privilege can only be brought up when the rights of the hon. member are affected. Now, I doubt very much that the rights of the hon. member are limited. It is rather a question of debate.

Mr. Lachance: In spite of everything, I did not want to antagonize the hon. member across the way; I wished to reassure him. I have no intention of discussing his personal motives. I am merely trying to explain the position of the government, which has been the same for many a year. I shall therefore pursue my argument.

As I was saying, the principle has a historical background in that Mr. Disraeli, the renowned British Prime Minister, first explained it. In addition, many authors have explained it in writing. Others took the opposite tack, but that is democracy.

Having said this, I see I have very little time left. Let us say simply that my friend and colleague from Charlevoix (Mr. Lapointe) dealt with it much more ably than I did, saying that the interim reports requested have precisely this advisory and non mandatory character and on this sole basis the government seems justified in firmly dismissing the demands of the hon. member for Esquimalt-Saanich (Mr. Munro). In conclusion, Madam Speaker, I would be remiss in failing to point out that the whole problem of the minister's responsibility towards CIDA and the power of evocation of the Secretary of State for External Affairs has been discussed at length and I feel the matter was settled once and for all. The bitter controversy which arose from that debate became the stock argument of the hon. member for Saint-Hyacinthe (Mr. Wagner) and of his party.

In spite of the claims of some members, particularly in the light of the remarks made by my colleague, the hon. member for Charlevoix, I think that this House has enough information to pass judgment on the performance of CIDA, without prejudice to the necessity of throwing some light on the matter and of requiring the responsible minister, the Secretary of State for External Affairs (Mr. MacEachen), to report to the House on the activities of CIDA.

[*English*]

Mr. Roche: Madam Speaker, may I call it six o'clock?

The Acting Speaker (Mrs. Morin): Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed consideration of Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. The House having considered all motions except Nos. 6 and 24, it appears appropriate now to give those two motions consideration. It was agreed that those two motions would be deferred until all other motions had been considered. That point having been reached, presumably it would be more orderly to deal first with motion No. 6, and then with No. 24. However, I am in the hands of the House.

An hon. Member: Take motion No. 6 first.

Some hon. Members: Agreed.

Mr. Speaker: First we will consider motion No. 6. I had previously expressed my reservations about motion No. 6, but the hon. member for York-Simcoe (Mr. Stevens) who moved the motion has not appeared in the House this evening.

Mr. Lambert (Edmonton West): Mr. Speaker, may I speak to that matter? The reason for this amendment was the sense of frustration felt by all members of the committee, myself included, who felt that, in some ways, they had been dealt with cavalierly by the minister on this impor-

tant point. We raised some serious constitutional questions about the power of parliament to assign to the Federal Court a criminal jurisdiction. Section 46 of the act seeks to do this. I do not have the details before me, but attention to a very serious breach was drawn by an eminent constitutional authority, on behalf of the Canadian Bar Association, I believe.

My colleague from York-Simcoe and I wanted to question the experts or law officers who advised the minister. All we now have is the minister's own assertion that he is satisfied with the advice of his officers. That is not good enough, and that particular point concerns me.

My colleague from York-Simcoe has said with regard to this important question of constitutionality that parliament cannot grant a criminal jurisdiction to the Federal Court, and that is what the act attempts to do. He said that the matter should be referred to the Supreme Court of Canada for a ruling before these provisions come into force. That is the purport of the amendment.

Someone can say, "But this is novel!" So what? There is always a first time. After all, Your Honour's predecessor on a couple of matters in which, I suggest, the procedural arguments were in my favour but in which he did not feel they were, said, "I am going to treat the matter as a first time and rule in such and such a way." I did not particularly care for his rulings because they went against the weight of the authority of precedents set elsewhere, not in this House. But he said that this was a first effort, as it were, in this House, and Mr. Speaker ruled as he saw fit. That was quite within his power.

I suggest to you, Mr. Speaker, that it is within your power to rule that such an amendment as this is acceptable. That is all Your Honour has to decide. Your Honour cannot rule on the legality, or on whether parliament can refer a matter or put a bill in suspension because part of it involves a constitutional question with regard to which there is grave doubt.

I say that it is the duty of the opposition, indeed of all members of this House, to question propositions in a statute which may be unconstitutional. Those of us who are lawyers would be remiss in our duty if we casually let such propositions go unchallenged. Our colleagues in the profession, who have the right to do so, could readily point the finger at each and every one of us and ask "Where were you when this matter was under examination? What opinion did you have? Is there or is there not constitutional authority?" If the answer were to be "Well, that did not bother us", then each and every one who said so would be derelict in his duty. Therefore, Mr. Speaker, I am going to put it quite plainly on that basis.

● (2010)

My colleague is questioning the constitutionality. Your Honour cannot rule on the constitutionality, but can accept a motion which deals with the question of constitutionality. If the procedure is put forward to the Supreme Court of Canada, which is the authority to rule on constitutional points, so be it. I submit that even if the argument is that this is the first time this has happened, my colleague has the right to put forward the motion, and it is not out of order.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, the amendment moved by the hon. member for York-Simcoe (Mr. Stevens) raises one of the most interesting questions for constitutionalists and I cannot help answering the invitation put to me by the hon. member for Edmonton West (Mr. Lambert) and give my advice as a lawyer on the constitutionality of the bill and on the implications the amendment would have on Canadian legislation if it were adopted as moved by the hon. member for York-Simcoe.

But before dealing with the contents of the amendment itself, I would like to point out, Mr. Speaker, that in my opinion this amendment is inadmissible at this stage of the discussion. As a matter of fact, the amendment refers to one of the conditions for the coming into force of the bill in its present form, and these conditions are clearly defined in clause 31 of the bill. Now, the amendment as moved by the hon. member for York-Simcoe refers rather to clause 12 of the bill.

Consequently, if one refers to authors of doctrines, to Beauchesne's Parliamentary Rules and Forms, Citation 406, it is clearly established that an amendment which is not directly linked to the conditions governing the coming into force of a bill as stated in the bill is out of order. This opinion is brought forward again by May, on page 510, who says that an amendment must be declared out of order if it is not properly related to the clauses it is meant to amend. Therefore, Mr. Speaker, the amendment should be declared out of order.

However, in the wording of the amendment there is an extremely important principle which is the right to refer to the Supreme Court. This right goes back very far in history. In the Middle Ages, when parliaments were meeting, they did not enjoy the privilege of drafting legislation.

They would petition the sovereign for their rights—he would consult judges and magistrates—and ask him to draft the bills. It was only much later that parliaments took upon themselves the right to phrase the bills themselves before submitting them to the approval of the sovereign who could only either accept or reject them but not alter them.

The contents of the amendment which the hon. member for York-Simcoe (Mr. Stevens) has proposed would result in delaying the enactment of this legislation until the Supreme Court would rule upon the constitutionality of clause 31.1 of Part IV of the bill.

Evidently the hon. member is referring to section 55 of the Supreme Court Act of Canada, which was introduced for the first time when the Supreme Court was created in 1875, and to a section which was amended in 1891 when the act which set up the Supreme Court in Canada was rewritten.

Section 55 of the Act clearly states that any significant question of law or facts concerning the interpretation of the British North America Acts or the constitutionality or interpretation of any federal or provincial legislation may be referred by the Governor in Council to the Supreme Court for hearing and consideration.

Under the terms of the present legislation, I do not think it is essential for the government to go through that process of referring the bill to the Supreme Court should any doubt arise with respect to its constitutionality.

As a matter of fact, it has happened several times in the past that bills dealing with combines, for instance the Board of Commerce Act of 1919 as well as the Combines Act of 1928 were referred to the Supreme Court for consideration of questions of fact and law relating to those bills. In either case the Supreme Court did recognize the constitutionality of the bills and held that they fitted perfectly well within the prerogatives of Parliament.

The proposed amendment as it stands would give rise to a doubt with respect to the constitutionality of the bill as we are debating it.

Now, Mr. Speaker, you know for a fact that any bill introduced in the House of Commons is presumed to be constitutional; in other words, when a bill is referred to a court, it is considered as having been adopted pursuant to the powers of Parliament, and as coming within the jurisdiction of Parliament or of the Legislative Assembly which have adopted it.

The proposed amendment would have the effect of casting a doubt on the constitutionality of the bill, and therefore of the powers of Parliament to legislate with respect to combines.

Mr. Speaker, I do not think there is any need at this time to refer that bill to the Supreme Court.

As a matter of fact, the government has, I believe three good reasons for rejecting the amendment. First, experience has shown that any abstract question put to the courts of justice leads to an abstract answer, which is very often of little use in solving practical cases.

Second, the reference procedure historically stemmed from the lack of any right of appeal on the part of the private individual. Now, it is clearly provided in this bill that any individual or corporation that might be affected by any of the provisions has a right to appeal to the board, and may exercise that right and the board is required to give him an opportunity to be heard. The right of appeal is therefore explicitly recognized in the legislation, and no individual is now deprived of his right of appeal before an impartial court.

Finally, Mr. Speaker, we must mention that traditionally the reference procedure has been used in cases where individuals could not afford to defend their rights, or where there were conflicts between the provinces and the federal government.

● (2020)

The hon. minister who appeared before the parliamentary committee made it quite clear that contacts and exchanges had taken place between his department and the departments of the main provinces interested in the bill and that there was no disagreement which would warrant the government at this stage to question the constitutionality of the bill and refer it to the Supreme Court of Canada. Consequently, Mr. Speaker, for reasons of law, for reasons of the amendment as worded now being out of order when it should have been tagged to clause 31 and not to clause 12, and also for reasons of policy where the government at this stage has no reason to question the constitutionality of the bill I say, Mr. Speaker, that in my opinion this amendment should be ruled out of order and turned down in its present form.

Mr. Lambert (Edmonton West): I want to ask the hon. member a question, Mr. Speaker. Since the hon. member actually questioned the position of the amendment, could he enlighten us on the matter? Under clause 12 of Bill C-2 we have paragraph 31 of the Combines Investigation Act, and it is precisely at the end of clause 12 of Bill C-2 that my colleague puts his amendment relating to clause 31. So I wonder where else one would put such an amendment because clauses 12 and 31 refer to two different statutes.

Mr. Joyal: I think, Mr. Speaker, with your permission, that there is some confusion in the wording of the amendment. Indeed it is right to argue, as the hon. member for Edmonton West (Mr. Lambert) suggests, that the amendment relates to clause 31 of the combines bill, a clause being amended under clause 12. But if the very content of the amendment of the hon. member for York-Simcoe (Mr. Stevens) is to be the coming into force of the bill to one condition, namely the decision of the Supreme Court on the constitutionality of the bill, that condition should rather be tagged to clause 31 which ties the coming into force of the bill to certain conditions which are defined under that clause 31. I think the amendment as worded now, should be turned down on a simple matter of procedure within a formulation and not as such within the content of the constitutionality of the bill.

My first argument, Mr. Speaker, is purely a procedural one, and is not a legal argument as such. It is a purely procedural argument. According to our administrative procedure, and Beauchesne and May have made it clear, if an amendment is not directly related to the clause of the bill that defines its contents, it must be declared out of order. Yet, in this case, the content of clause 31.1 of the Combines Bill is included in clause 12 while the content of the clauses concerning the coming into force of the bill is also included in clause 31 of the bill. This is why I think there is some confusion as concerns the texts, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. If there are no other hon. members who are anxious to participate in this very interesting discussion the Chair is left very much with the conclusion it had come to at the beginning of the discussion.

[*Translation*]

I wish to thank the hon. member for Maisonneuve-Rosemont (Mr. Joyal) for his very interesting and well-prepared speech.

[*English*]

I also thank the hon. member for Edmonton West (Mr. Lambert) for his very spirited intervention on behalf of his colleague and the procedural regularity of this motion.

The fact is, and this seems inescapable, that the motion would exceed the scope of the bill in several relevant particulars, not the least of which is that it does indeed appear to use the words, "notwithstanding section 31 of the act" whereas in fact the statute before us does not propose to amend section 31. Further, the proposed motion

uses the words "notwithstanding section 55 of the Supreme Court Act," which again is not before us. In any case, in its intent it puts within this very statute a section which refers to a section of the act which is before us for interpretation by the Supreme Court before this section can come into force. It further adds, in paragraph (b), what could very well be a purely hypothetical condition, and then in paragraph (c) goes on to attach a condition that the attorney general of each province shall be notified of a hearing under this subsection in order that he may be heard if he thinks fit. The fact of the matter is that it seems to add an indefinite condition, again in paragraph (c).

Basically, however, the major difficulty remains the same. That is to say, it is suggested that the statute, or this particular section of the act before the House of Commons, be referred to the Supreme Court of Canada for an interpretation, and thereafter, depending upon what the interpretation of that Court might be, this part of the act might come into force.

It would seem to the Chair that even if the clause were to be proposed in respect of a substantive measure before the House rather than simply an amending statute, it would still be offensive, and would go beyond the scope of any bill which this House might enact.

It seems to me to be repulsive to any act to parliament that it should contain within it a condition that the act must be referred in any part, or in any particular, to any other body for interpretation before it comes into force. Indeed, power already rests in the hands of any citizen who wants to attack any bill on its constitutionality to take it before the Supreme Court of Canada. But to put such a clause in a statute indicating that an act of parliament, or any clause of an act of parliament, would not come into force until that was done, seems to me to go beyond the scope of any statute which comes before parliament. Certainly it goes beyond the scope of the bill before us which seeks only to amend certain clauses of another act. Therefore the Chair has come to the conclusion that the motion is procedurally unacceptable.

We will proceed to Motion No. 24. The hon. member for Nickel Belt.

Mr. Rodriguez: Thank you, Mr. Speaker. The reasoning behind this amendment stems from the fact that we have expressed grave concern about Bill C-2 which amends Part V of the Combines Investigation Act, which is in the Criminal Code and which is the part of that particular act which deals with offences in relation to trade, and not only makes amendments there but also extends the offences in relation to trade. We were very concerned that there was no provision whatsoever for reimbursement to be made to those consumers who may have been taken advantage of for a long period of time. There ought to be some recompense to those consumers who had been ripped off. It was this motivation which prompted us to try first of all, a class action amendment to the bill, and then a restitution clause, which this clause is.

As a matter of fact, Mr. Speaker, we presented this to the Committee on Finance when the bill was still being debated, and the hon. member for York Centre (Mr. Kaplan) who was chairing that committee, a gentleman well versed in the law and a hard-working member of parliament who was recently promoted for his hard work, ruled that the amendment was in order. So you see, Mr. Speaker, I received no direction at that time that it was misplaced, and certainly if it had been indicated in the ruling given at that time we could have worded it in such a way as to be acceptable to Your Honour. Such an indication, however, was not given to my party or myself, and as a result it was debated in committee and negatived in committee.

I looked at Beauchesne's Fourth Edition, 1958, citation 406, to see under what conditions amendments are out of order. I note that in that citation amendments are out of order under the following conditions, and I quote:

> (a) irrelevant to the bill, or beyond its scope governed by or dependent upon amendments already negatived;
>
> (b) inconsistent with or contradictory to the bill as agreed to by the Committee;
>
> (c) inconsistent with a decision which the Committee has given upon a former amendment;
>
> (d) offered at the wrong place in the bill;
>
> (e) tendered to the Committee in a spirit of mockery, vague or trifling.

Well, Mr. Speaker, I have looked at that citation and I would say it is very relevant to Part V of the Combines Investigation Act, and certainly Bill C-2 opened up that part of the act to amendment. All our amendment does is give logic to that part of the act. Without our amendment it seems to me that this section is short. The amendment was put forward in that light and accepted by the committee, and I hope Your Honour will consider this when making your ruling.

Mr. Martin: In rising to speak on the acceptability of this particular amendment I think it is very important that we should recognize we are dealing here with one of the most complex pieces of legislation which has come before this parliament, and probably the most complex to have been introduced since the time of the new Income Tax Act which became effective in January, 1972.

It seems to me that this legislation, having come before three parliaments in the past, and having resulted in considerable debate in this parliament alone with some 25 sittings of the Standing Committee on Finance, Trade and Economic Affairs, we must accept that it is a very complex bill. This point is important when we consider the amendment before us.

The other point I should like to make is that the amendment which has been suggested is basically the thin edge of the wedge in the area of class action. I think it is one that the Canadian people will have to look at in future, one that this parliament must examine. Whether or not this is the appropriate time is really the issue that we are talking about when we consider this point. By class actions, I mean the kind of situation where a simple citizen has the right to sue over a particular issue on behalf not only of himself or herself but on behalf of several other citizens.

● (2030)

It is important to realize when making this judgment that the hon. member's amendment is in the area of class actions. The words of the motion are:

—to refund to the persons from whom he—

Meaning the guilty party. Those are my words.

—derived the excess revenue if those persons are reasonably identifiable or, in any other case, generally to persons thereafter acquiring the product from him—

It is really a question whether it is appropriate at this time to consider class actions as we consider the particular amendment now before the House. It is my opinion that this particular amendment dealing with class actions would give greater power to a judge than was intended by the bill. I refer to power in the area of making refunds. This is one of the reasons why I feel this particular amendment is probably inappropriate under the circumstances.

The second point I want to make is that I believe—

Mr. Speaker: Order, please. I have been attempting to discern whether the hon. member is addressing himself to the appropriateness of the substance of the amendment or the procedural irregularity, which is all that we are dealing with at the present time. I have the impression that the hon. member is engaged in asking the House to consider whether or not the amendment is appropriate. The question we are dealing with at the moment is whether the Chair ought to accept the amendment from a procedural point of view. If I am correct that the hon. member's remarks are addressed to the substance of the amendment, then perhaps he would hold them for a moment until I make a decision on the procedural acceptability.

Mr. Blais: Mr. Speaker, may I indicate to you my contention that in the matter of the procedural irregularity I would argue in the same vein as my hon. friend from Maisonneuve-Rosemont (Mr. Joyal), that this amendment is irregular in the sense that it would be improperly placed in the statute. It is an amendment to clause 22, which basically deals with collection of statistics and the enforcement of the collection of statistics. It is essentially a penal amendment, namely, one that seeks to grant additional powers to the court relative to the refunding of any excesses collected. It has a penal quality and should have been included in clause 18 or some other clause of the bill.

Mr. Speaker: Order, please. There apparently being no other hon. members who wish to contribute to this interesting point, may I say that the text of motion No. 24 proposes to amend clause 22 of the bill. The fact is that clause 22 of the bill deals with the collection of statistics and with various aspects of reporting facts and figures. It does not in any way deal with penalties. This motion introduces not only a penalty, which does not belong or is any way germane to clause 22, but furthermore introduces a new concept into the penalty provisions as well.

In view of the fact that the amendment proposes to amend clause 22 and is beyond the scope of that clause, I have to hold that the amendment is procedurally unacceptable.

I just want to add that when this matter was first raised months ago I made the following remark. I am not going to quote it in detail, but I referred to the procedural difficulty facing motions 6 and 24 in a general way. The language I used with respect to motion 24 may have been confusing in that I obviously made a cross reference to some aspects of motion No. 6. However, I went on to say this. I do not have the date of my remarks before me but it was some time ago, certainly long before the recess when the report stage of the bill was first considered. At that time I indicated that motion 24 proposed penalties which, in the opinion of the Chair, were not in any way germane to clause 22 of the bill which it sought to amend.

Having made that reference at that time I thought it might have been ample forewarning, so that if it was simply a readjustment of the location of the motion, it might have been adjusted in the interval. In any event the matter is before the Chair at the present time. The motion proposes to amend clause 22. It is obviously well beyond the scope of clause 22; therefore with regret I have to rule that it is unacceptable.

That brings to a conclusion all of the report stage motions.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise to say a word on something that perhaps you were going to raise. We are now at the point where 14 divisions have been deferred. I know the Clerk of the House is looking forward to calling 14 divisions tonight and we would not like to deprive him of that experience, but it is the fact that nine of those deferred divisions are practically the same in that they deal with the same aspect of the matter.

We would therefore be prepared to make arrangements to have one recorded vote to cover the amendments of the hon. member for Edmonton West (Mr. Lambert) to motions 8, 9, 12, 13, 14, 15, 19, 22 and 25, but we would like to have separate votes on motions 10, 11, 18, 20 and 21.

Mr. Speaker: Order, please. The Chair was about to make a similar suggestion. The matter has been clearly put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). Amendments 8, 9, 12, 13, 14, 15, 19, 22 and 25 all deal with the aspect of penalties, and a pronouncement of the House on one might therefore be deemed to be a pronouncement on all of them. Technically it might be best to have a recorded division on motion No. 8 and thereafter ask the House whether it will resolve the others in the same way without further division, and then proceed to motion 10. The question must be resolved on each, and we could not take more than one vote at a time.

Therefore, we will take a division on motion No. 8, and having resolved that I will ask the House whether it is content that a similar result be recorded on the others. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Thereafter separate recorded divisions will be taken on motions 10, 11, 18, 20 and 21. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Call in the members.

The House divided on motion No. 8 (Mr. Lambert (Edmonton West)) which was agreed to on the following division:

● (2040)

(*Division No. 67*)

YEAS

Messrs.

Abbott	Andres (Lincoln)	Balfour
Alexander	Appolloni (Mrs.)	Basford
Allard	Baker (Grenville-Carleton)	Beatty
Anderson	Baldwin	Beaudoin
Andras (Port Arthur)		Béchard
		Bégin (Miss)

Messrs.

Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Fairweather
Faulkner
Fleming
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Laprise
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand (Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy (Timmins)
Roy (Laval)
Scott
Sharp
Skoreyko
Smith (Saint-Jean)
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Tessier
Towers
Trudeau
Trudel
Turner (London East)
Wagner
Watson
Whittaker
Wise
Yewchuk
Young—183.

NAYS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rodriguez
Symes—12.

● (2110)

Mr. Speaker: I therefore declare the motion carried.

Motion No. 8 (Mr. Lambert (Edmonton West)) agreed to.

Division

Mr. Speaker: The House having pronounced itself on motion No. 8, as amended, does it agree to pronounce itself similarly on motions Nos. 9, 12, 13, 14, 15, 19, 22 and 25?

Some hon. Members: Agreed.

Mr. Speaker: Shall it be recorded that these motions shall carry on division?

Some hon. Members: Agreed.

Motions No. 9, 12, 13, 14, 15, 19, 22 and 25 (Mr. Ouellet), as amended, agreed to on division.

Mr. Speaker: The question is on motion No. 10.

The House divided on motion No. 10 (Mr. Rodriguez), which was negatived on the following division.

(*Division No. 68*)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Leggatt
Nystrom
Peters
Rodriguez
Symes—13.

NAYS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Fairweather
Faulkner
Fleming
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Laprise
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean

Division

Messrs.

Macquarrie
Maine
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Mitges
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Scott
Sharp
Skoreyko
Smith
(Saint-Jean)
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Tessier
Towers
Trudeau
Trudel
Turner
(London East)
Wagner
Watson
Whittaker
Wise
Yewchuk
Young—182.

Mr. Speaker: I declare the motion lost.

Motion No. 10 (Mr. Rodriguez) negatived.

Mr. Speaker: The question is on motion No. 11.

The House divided on motion No. 11 (Mr. Rodriguez), which was negatived on the following division.

(Division No. 69)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Knowles
(Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rodriguez
Symes—12.

NAYS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Fairweather
Faulkner
Fleming
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Laprise
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Scott
Sharp
Skoreyko
Smith
(Saint-Jean)
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Tessier
Towers
Trudeau
Trudel
Turner
(London East)
Wagner
Watson
Whittaker
Wise
Yewchuk
Young—183.

● (2130)

Mr. Speaker: I declare the motion lost.

Motion No. 11 (Mr. Rodriguez) negatived.

Mr. Speaker: The question is on motion No. 18.

The House divided on motion No. 18 (Mr. Rodriguez), which was negatived on the following division:

(Division No. 70)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Knowles
(Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rodriguez
Symes—12.

NAYS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker

Messrs.

Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Fairweather
Faulkner
Fleming
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Laprise
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean
Macquarrie
Maine
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Mitges
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Scott
Sharp
Skoreyko
Smith
(Saint-Jean)
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Tessier
Towers
Trudeau
Trudel
Turner
(London East)
Wagner
Watson
Whittaker
Wise
Yewchuk
Young—183.

● (2140)

Mr. Speaker: I declare the motion lost.

Motion No. 18 (Mr. Rodriguez) negatived.

Mr. Speaker: The question is on motion No. 20 in the name of Mr. Rodriguez.

The House divided on motion No. 20 (Mr. Rodriguez), which was negatived on the following division:

Division

(Division No. 71)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Douglas
(Nanaimo-Cowichan-
The Islands)
Firth
Knowles
(Winnipeg
North Centre)
Leggatt
Nystrom
Peters
Rodriguez
Symes—12.

NAYS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Fairweather
Faulkner
Fleming
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Laprise
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Scott
Sharp
Skoreyko
Smith
(Saint-Jean)
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Tessier
Towers
Trudeau
Trudel
Turner
(London East)
Wagner
Watson
Whittaker
Wise
Yewchuk
Young—183.

Division

Mr. Speaker: I declare the motion lost.

Motion No. 20 (Mr. Rodriguez) negatived.

Mr. Speaker: The question is on motion No. 21 in the name of Mr. Rodriguez.

The House divided on motion No. 21 (Mr. Rodriguez), which was negatived on the following division.

(*Division No. 72*)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Broadbent
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Knowles
(Winnipeg North Centre)
Leggatt
Nystrom
Peters
Rodriguez
Symes—12.

NAYS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Fairweather
Faulkner
Fleming
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Laprise
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Scott
Sharp
Skoreyko
Smith
(Saint-Jean)
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Tessier
Towers
Trudeau
Trudel
Turner
(London East)
Wagner
Watson
Whittaker
Wise
Yewchuk
Young—183.

● (2150)

Mr. Speaker: I therefore declare the motion lost.

Motion No. 21 (Mr. Rodriguez) negatived on division.

Mr. Speaker: Pursuant to the terms of the order it is my duty to put forthwith every question necessary to dispose of all remaining stages of the bill.

Mr. Ouellet moved that the bill as reported be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? Pursuant to the order, now?

Some hon. Members: Agreed.

Mr. Ouellet moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. Speaker: Order, please. It being ten o'clock this House stands adjourned until eleven o'clock tomorrow morning.

At ten o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 17, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE

SUGGESTED ISSUE OF LOANS BY BANK OF CANADA AT COST—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss an urgent and important question.

Since the main objective of the Bank of Canada is to control credit in the interests of our economic life, since also it is an institution whose policy is dictated by the government, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House take every possible action to enable the Bank of Canada to play adequately its role by directing its credit policy to promote the development of the national economy and by allowing the issue of loans at cost in public and semipublic areas.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR NAMES OF ADMINISTRATOR AND APPOINTEES TO BOARD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister relating to the restraint program. Has the government decided who will be on the anti-inflation review board in addition to the two distinguished individuals already appointed and who will be the administrator? If these decisions have not yet been taken, when may we expect to be informed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have added a few more members to the board by order in council, but I believe it would be preferable if we could get the full contingent before making the announcement.

ANTI-INFLATION PROGRAM—REACTION OF PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question. Perhaps the Prime Minister might indicate when we might expect that information and, since we are beginning discussion of the legislation arising out of the white paper today, could the Prime Minister give us any more precise information about the response of the provinces in general who presumably will have a vital part to play in this program? In particular, has he had any direct reaction from Premier Barrett of British Columbia who is reported at least to have said some things antagonistic to the program? Is the Prime Minister in a position to give us any decisive information about the reaction of the provinces now that we are about to begin the discussion of the bill?

● (1110)

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, on the last point I cannot. I have written to the premiers since last Monday's meeting, I believe, suggesting a date next week for meetings of the ministers of finance of the various provinces, and other ministers, with the federal Minister of Finance and other federal ministers. I expect that at that time they will ask detailed questions about the implementation of the plan and how it will work to improve the economic situation. We will know more then about their position. In the meantime I have not anything further to communicate beyond what I indicated to the House yesterday. The only premier who has discussed this with me since Monday is Premier Bourassa. He phoned and indicated his willingness to go along and under the law, establish institutions in his province to apply certain parts of the guidelines.

Mr. Stanfield: Mr. Speaker, may I direct a further supplementary question to the Prime Minister? Can he be more precise as to the position taken by Premier Bourassa, and particularly with regard to the extent of the program which the government of Quebec wishes itself to administer? Has the premier of Quebec indicated a desire to establish a board in Quebec which will administer, within that province, perhaps some of the responsibilities which are to be administered by the federal board elsewhere in the country?

Mr. Trudeau: Mr. Speaker, I have been as precise with the House as Premier Bourassa has been with me. He was courteous enough to tell me his general intentions. I repeat, they will be worked out in detail at the meeting of

federal-provincial ministers to which I just referred. What is clear in the minds of the premiers, from our meeting last Monday is that the government is determined to make the guidelines stick, and they will stick.

ANTI-INFLATION PROGRAM—APPLICATION TO MARKETING BOARDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Prime Minister concerning consultations with the provinces? My question arises from references in the white paper to the effect that marketing boards will be discussed with provincial governments, to ensure that their operations are consistent with the guidelines. As the chairman and vice-chairman of the proposed anti-inflation review board indicated that they intend to investigate marketing boards, has the government held these discussions with the provinces and, if so, is there agreement to put marketing boards within the general price guidelines outlined by the white paper?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer is yes. It is clear that marketing boards, in their pricing practices, are expected to follow our general guidelines. On the question of whether this was discussed in detail with the provinces, the answer is no. That, again, will be discussed at the meeting next week.

ANTI-INFLATION PROGRAM—APPLICATION OF PRICE GUIDELINES TO FARMERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the Prime Minister's reply, may I ask the Minister of Finance the following question: Will the profit margins of farmers selling to marketing boards be allowed to increase, or will farmers have to prove per unit cost increases before being allowed to raise their prices?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as the white paper says, the price of farm produce at the farm gate will not be subject to the guidelines.

ANTI-INFLATION PROGRAM—SUGGESTED MANDATORY PROVISION FOR COMPANIES TO GIVE PRIOR NOTICE OF PRICE INCREASES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct my question to the Minister of Finance? Since the new chairman of the proposed anti-inflation review board indicated that the board will not systematically monitor all price increases but will monitor them selectively, and since the bill introduced yesterday contains no provision calling on the 1,500 companies selected for special control action to inform the board of price increases before prices are increased, is the government considering introducing such an amendment to the legislation at the appropriate stage, in order to make it mandatory at least for those 1,500 companies to give the board advance notice of and justification for proposed price increases?

[Mr. Trudeau.]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there would be the practical consideration as to whether we want to deluge the anti-inflation review board with literally thousands of price changes, as this would occur.

Mr. Broadbent: Would it occur with everything?

Mr. Macdonald (Rosedale): It would occur over a period of time. I put it to the hon. member that we import many thousands of different items into Canada, and I do not think the hon. gentleman, the NDP or anybody else has ever pretended that, through any magic formula, you can stop all prices from increasing.

Mr. Orlikow: You think you can, and that is the problem.

Mr. Macdonald (Rosedale): The hon. gentleman has so much to say; perhaps he should open his ears a little, instead of his mouth.

An hon. Member: Touchy, touchy.

Mr. Macdonald (Rosedale): However, I would point out to the hon. member that there is a power under the statute to make regulations in this regard. I think we will want to give some attention to whether this will be a useful proposal, and if an amendment will be required.

ANTI-INFLATION PROGRAM—REASON FOR FAILURE TO APPLY PRICE FREEZE

Mr. Edward Broadbent (Oshawa-Whitby): Where I come from, Mr. Speaker, that is known as having it both ways. I wish to ask the minister if the idea to put a freeze on these 1,500 corporations, most of which are non-competitive, was considered by the government. This idea was proposed by an expatriate Canadian, Professor Galbraith. When dealing with monopolies, you put the freeze on and make them justify price increases. Can the minister briefly explain to the House why that approach was rejected, quite apart from the problem of imported goods with which I agree entirely.

Mr. Speaker: Order, please. In anticipation of the measure that will be before the House today, I have permitted questions on the general guidelines, particularly with regard to the reaction of the provinces and considerations of a general nature. However, I do not think we should go so far as to anticipate individual sections of the bill or questions that really are more germane to the debate on the actual measure itself. This debate will begin in about an hour's time. I do not want to cut down the area of questioning unduly, but I ask the hon. member to remind himself that we will be embarking on a debate on the actual measure. Perhaps that kind of question about that particular area might be more germane to that kind of provision.

ANTI-INFLATION PROGRAM—METHOD OF ENFORCING PRICE REDUCTIONS AS PRODUCTION COSTS REDUCED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have one final question. It is not with reference to the

bill, but with reference to the white paper in which the guidelines are proposed. It is suggested that reductions in production costs are expected to be passed on to the consumer. If the board has no intention of monitoring general price increases, how does the government propose to enforce this requirement that reductions in costs be passed on to the consumer?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, while the board will obviously have to make some selections as to key sectors in which price increases will be of the greatest concern, it will be carrying on very extensive monitoring. It seems whether one is monitoring price increases or the absence of a price decrease, it is the same function. The board will indeed be carrying this out.

* * *

● (1120)

[*Translation*]

SOCIAL SECURITY

SUGGESTED PROVISION OF ADEQUATE PENSION FOR INVALIDS UNDER AGE 65

Mr. Gérard Laprise (Abitibi): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare.

The minister had indicated that a study had been undertaken with his provincial counterparts concerning a new federal-provincial agreement to secure an adequate income for the invalids who have not reached retirement age. Could the minister tell us now if the results of this study can be expected soon and whether he intends to make an early statement in the House on this matter?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, at the end of the last federal-provincial conference on this subject, I tabled—if my memory serves me well—the press release which covers in part the point raised by the hon. member. Another federal-provincial conference will be held in late November or early December and I shall be happy to report to the House the result of the discussions that will have then taken place.

* * *

[*English*]

HEALTH

SALE OF TAINTED MEAT TO QUEBEC CONSUMERS—GOVERNMENT ACTION TO IMPROVE INSPECTION SERVICE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is to the Minister of National Health and Welfare as well. It deals with the distribution of tainted meat in the province of Quebec. In view of the charge made by the Quebec crime inquiry commission that the federal government has shown a lack of vigilance in protecting the consumer, has any action now been taken to increase the inspection services in order that the consumer will be properly protected?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the report referred to was made public only yesterday. I have not seen it. I did not get a copy, but I shall try to study it as soon as possible, and then answer the hon. member's questions.

[*English*]

SALE OF TAINTED MEAT TO QUEBEC CONSUMERS—SUGGESTED AMENDMENT TO FOOD AND DRUGS ACT TO PUT BURDEN OF PROOF ON SELLER

Mr. Paul Yewchuk (Athabasca): For the edification of the minister, the report recommends that there be an amendment to the Food and Drugs Act to place the burden of proof on anyone charged with dealing in tainted meat, which is a departure from the present law. Has the minister given consideration to making such an amendment to the Food and Drugs Act?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as I have just said, I have not read the report and I should like to do so before answering. However, I am convinced that all members will have to do some serious thinking before changing the burden of proof, even in a case such as this, because it is a very serious matter in criminal law.

[*English*]

SALE OF TAINTED MEAT TO QUEBEC CONSUMERS—PROPOSED INQUIRY INTO CONDUCT OF INSPECTORS

Mr. Paul Yewchuk (Athabasca): In view of the suggestion in the report that the federal government had known about the distribution of tainted meat in the Province of Quebec for the past seven years, since 1968, would the minister agree to initiate a ministerial inquiry into the conduct of officers of his department, namely, the inspectors who had known about this situation, in order to determine why no action was taken until the Quebec inquiry made its revelations?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I cannot accept any of the premises stated by the hon. member. If he has his own copy of the report, I should be very happy to read it, but I am not willing to accept his allegations.

* * *

[*English*]

POST OFFICE

CONTINGENCY PLANS FOR MAIL DELIVERY IN EVENT OF STRIKE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Postmaster General. Since, according to the news, government departments have made arrangements for the delivery of their mail and are ready in the event of a long strike by postal employees, I should like to ask the hon. gentleman what arrangements he has made for small business people to send and receive mail, for example, accounts, bills and cheques? What arrangements have been made to enable weekly newspapers to be despatched as well as mail by private individuals?

Hon. Bryce Mackasey (Postmaster General): It is normal that the government would set up contingency plans but I am not prepared to reveal them, particularly

since negotiations resumed at about 9.30 this morning and are proceeding at a fairly satisfactory pace.

INTERPRETATION OF STRIKE VOTE

Hon. W. G. Dinsdale (Brandon-Souris): My supplementary arises from news reports interpreting the vote which has just been completed by the postal workers as a strike vote. Can the minister confirm that the vote actually calls for endorsation of the national executive's formal written request to the government calling for further negotiations on the basis of the Moisan report and emphasizes vital issues such as fringe benefits, job security, automation and the employment of casual workers rather than the monetary issue as such?

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker. The vote just taken is subject to interpretation by whomever wants to interpret it in their own way. To suggest it is an overwhelming vote by the membership for strike action would be unfair to the members. For instance, no fewer than 15 locals in the maritimes, which usually show some intelligence—

Some hon. Members: Hear, hear!

Mr. Mackasey: —there are just pockets of them—have said they want to know just what they are voting on. What is more important is that we are back to the bargaining table. Workers, with the exception of those in only one little area in Canada, are working. Of course, if workers in too many areas stop working, as is their right, we would have to break off negotiations in order to permit the national executive and the negotiating team to talk reason to these people for jeopardizing what could be a fair settlement as an alternative to a prolonged strike.

EXISTENCE OF CONTINGENCY PLAN FOR MAIL DELIVERY IN EVENT OF STRIKE

Mr. John A. Fraser (Vancouver South): Are we to take it from the remarks of the hon. gentleman that there is, in fact, a contingency plan in existence to assist small businesses and private individuals to move mail in the event that the postal workers do not carry on their duties, or is he simply telling the House that this is something which would be looked into at a later date?

Hon. Bryce Mackasey (Postmaster General): I am not telling the hon. gentleman, either. I am simply saying that the news last night stated that the government has a contingency plan for its own mail, as I mentioned earlier, for the distribution of essential cheques and social benefit payments. In a democracy such as ours some segments of the economy must be severely, sometimes unjustifiably, inconvenienced; but that is the price of our particular system.

POSSIBLE EXEMPTION OF EMPLOYEES FROM WAGE GUIDELINES—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct my question to the Prime Minister. In light of the fact that the Postmaster General has indicated that postal workers are exempt under the escape provisions per se, while at the same time the Minister of Finance says no, that is not so, that any decision in this regard must go before the anti-inflation board—so we have a conflict here—would the Prime Minister clear up the matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no conflict unless it is in the hon. member's understanding. The white paper applies to everyone. The white paper itself contains the statement that special consideration will be given to certain cases, which are defined. Special consideration will indeed be given by the Anti-Inflation Board; it will judge whether any actions which have been taken by the federal government are within the guidelines, and we will respect the board's judgment.

* * *

[*Translation*]

THE CANADIAN ECONOMY

POSSIBILITY OF QUEBEC ESTABLISHING ANTI-INFLATION BOARD

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. It is supplementary to those which the Leader of the Opposition directed to him concerning the provincial board Premier Bourassa intends to establish.

Will the Canadian government be invited to share the cost of such a commission or board, or will the province of Quebec fully assume the cost of such a board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this aspect was not discussed with the provinces. I am grateful to the hon. member for bringing it to my attention. My first reply would be that if a province wished to establish its own board instead of using ours, it would have to assume all costs, as it is indeed the case when a province—Quebec for instance and Ontario sometimes—has its own tax-collecting agency. It must then assume the whole cost.

[*English*]

ANTI-INFLATION PROGRAM—EFFECT ON FARM INCOME AND RETAIL FOOD PRICES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is to the Prime Minister. Was the Minister of Agriculture expressing government opinion with respect to the new wage and price controls policy of the government when he said recently in St. Jacob's, Ontario that Ottawa's wage and price controls will have no effect on farm incomes and little impact on retail food prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of that question. I did not understand it, but I will take notice of it and answer on Monday.

Mr. Rodriguez: Mr. Speaker, in view of the fact that the Prime Minister did not hear the question I will repeat it because I think the answer is very important. Was the Minister of Agriculture expressing government opinion with respect to the new wage and price controls policy of the government when he said recently in St. Jacob's,

Ontario that Ottawa's wage and price controls will have no effect on farm incomes and little impact on retail food prices?

Mr. Trudeau: Well, Mr. Speaker, he was not reflecting government opinion because that would be a matter of foresight.

Some hon. Members: Oh, oh!

Mr. Trudeau: As the Minister of Finance indicated, and as the white paper makes clear, farmers' prices are not frozen. They are not subject to the guidelines. What effect this will have at the retail level will depend very much, (a), on what the marketing boards do and, (b), whether or not some of the costs that the retailers are allowed to pass on are absorbed. We are confident that they will and that costs will be kept down, but to what degree, I repeat, will be a matter of prophecy and I do not want to engage in that.

ANTI-INFLATION PROGRAM—SUGGESTED APPLICATION TO RETAILERS OF PROVISION RESTRICTING PRICE ADJUSTMENTS TO ONCE IN THREE MONTHS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a final supplementary question which I will address to the Minister of Finance. In view of the fact that the government's wage and price freeze in this anti-inflation fight indicates that manufacturers will not be allowed to increase their prices more frequently than once every three months but that retailers and wholesalers are exempt from this injunction, can the minister assure the House that such an injunction will also be applicable to retailers and wholesalers?

Hon. Donald S. Macdonald (Minister of Finance): Well, Mr. Speaker, I should just like to correct the hon. member's terminology; it is not a "freeze". As I mentioned a moment ago, it is recognized that costs will be incurred, for example, with regard to imported fruits and vegetables which are so much a part of the marketing scene in Canada in the wintertime. With regard to the suggestion of the hon. member that any variations in import costs during the winter should not be passed on, this does not seem to be practical.

● (1130)

ENERGY

DATE OF SIGNING PIPELINE TREATY WITH UNITED STATES—PROVISION FOR COLLECTION OF STATE AND PROVINCIAL TAXES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, would the Minister of Energy, Mines and Resources tell the House when the pipeline treaty with the United States may be signed and whether it will particularly include provisions to prevent undue harassments in the form of taxation by provincial or state jurisdictions as has been suggested as a possibility by the proponents of the Alaska pipeline?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot give the hon. member the precise date when it will be signed but I can indicate to the House that we have been making substantial progress with the United States on this treaty. The one issue that remains to be settled at the moment involves the question of fiscal regimes and protection in respect of state and provincial taxes.

* * *

HOUSING

POSSIBILITY OF COMBINING URBAN AFFAIRS DEPARTMENT AND CENTRAL MORTGAGE AND HOUSING

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Prime Minister and refers to his announcement on Wednesday of the appointment of Mr. William Teron, President of CMHC, to the post of acting secretary of the Ministry of Urban Affairs. Since this appointment places Mr. Teron in the position of making policy as well as the execution of such policy through another agency, would the Prime Minister tell us whether the government has now recognized that the Ministry of Urban Affairs and Central Mortgage and Housing Corporation were not synchronized in their approach to dealing with the Canadian housing prices, and whether it is the government's intention to combine the two agencies at this time under the chairmanship of Mr. Teron?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a matter of internal organization with which we are proceeding. There is a temporary solution which has been made public, and if any further actions are taken I will inform the House about them.

DATE OF ESTABLISHMENT OF MORTGAGE CORPORATION—ROLE OF MR. TERON

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, would the Prime Minister tell the House whether the government is now prepared to implement the act passed by parliament to establish a Federal Mortgage Corporation as a follow up to this latest move, and whether Mr. Teron through his many, varied and sizeable holdings will be asked by the government to facilitate such implementation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure what the insinuation was about private holdings, but I can assure the hon. member that the conflict of interest guidelines have been followed strictly by Mr. Teron.

DATE OF MEETING WITH PROVINCIAL MINISTERS AND SUBJECTS ON AGENDA

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact that the mess in the government housing policy is now becoming apparent even to Liberal MP's, as so succinctly put by the hon.

member for Ontario who said that his government has been notably stupid in its housing policies—

Some hon. Members: Oh, oh!

An hon. Member: She is after your job, Barney.

Miss MacDonald: This is something which we on this side of the House have been stating for many months. Will the minister say when the proposed meeting with the provincial housing ministers will take place and whether the agenda will include proposals to increase the supply of serviced land, as promised in the white paper, as well as methods by which the abnormally high interest rate will be reduced?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, without accepting the preamble to the question at this time when we are making quite incredible progress, which a couple of months ago we would not have thought possible, when the percentage of low and modestly priced housing has increased by some 50 per cent this year and when our housing starts are close to double the rate of our neighbour to the south, let me answer the question by stating that I am not quite certain about the proposed meeting of the housing ministers to which the hon. member has referred. We are in continuous contact, and I am always pleased to meet with the housing ministers when it is felt that is necessary. Quite frankly, I am in touch with their offices at the present time to see if a meeting is necessary at this time, as suggested by the new housing minister for Ontario. It is possible that such a meeting will take place, but the idea does not appear to have unanimous acceptance. If it is necessary, we will meet at any time with the provincial housing ministers.

* * *

AGRICULTURE

POSITION OF OFFICIAL OPPOSITION ON AID TO COW-CALF OPERATORS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in the absence of the Minister of Agriculture I would address my question to the acting minister. Will he please inform the minister that the official opposition to Her Majesty's government in this House is in favour of the Agricultural Stabilization Act terms being carried out in connection with the cow-calf floor price. The government promised this in the middle of September, and I am simply responding to the minister's challenge in his reply to the hon. member for Vegreville yesterday, by stating that the official opposition wants to see the terms of the act carried out, including the cost of production formula added in.

* * *

LABOUR CONDITIONS

DATE OF TABLING BAYDA REPORT AND IMPLEMENTING RECOMMENDATIONS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, over a year ago Mr. Justice Bayda was appointed as commissioner to examine all aspects of grain handling through the port of Vancouver and to make recommendations to alleviate and improve the situation. As the government has now had Mr. Justice Bayda's report for some considerable time, can the Minister of Labour advise the House when this report will be tabled and when the government will bring forward measures to deal with this most serious and important matter?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would anticipate that the report will be tabled in the House within the next week. During this time we have been looking for certain people to assume certain responsibilities under the report and I hope to name those people at the same time I table it.

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[*Translation*]

MANPOWER

SUGGESTED INCREASE IN FUNDS FOR LOCAL INITIATIVES PROGRAM

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration relating to Local Initiatives Programs.

Is the minister aware that for the Pontiac riding the budget is about $716,000 whereas the requests are for $4,340,000, since 122 acceptable projects are under study? I am told that the available funds cover only 34 of those projects, leaving aside 88 others. Since the large number of project proposals shows not only the interest of the people from Pontiac in that program but above all the great needs of my riding, could the minister give—

Mr. Speaker: Order, please. This is an excellent and very important representation, but not a question.

Mr. Lefebvre: Here is my question, Mr. Speaker. Could the minister tell the House if another study will be made to allocate extra funds to those areas where great need exists?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I would lead the House astray if I indicated any likelihood of additional funds in this area for this year. I am sympathetic toward the representations and concerns of this hon. member and others. Let me give an indication of the magnitude of this by saying that we now have on hand 16,405 applications amounting to $526 million against which we have an allocation available out of $150 million of about $135 million. This is a substantial program but there is no way, I think, that we can look forward to meeting all the demands upon it at this time.

[*Translation*]

FINANCE

SUGGESTED REDUCTION IN MORTGAGE INTEREST RATES TO STIMULATE HOUSE CONSTRUCTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Finance.

As the Canadian housing industry is faring very poorly and, to my mind, as the problem lies above all in prohibitively high interest rates, would the minister tell the House whether he would be willing to recommend rolling back interest rates to stimulate that industry, while at the same time helping solve the unemployment problem?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I said, the monetary policy of the government is determined with the governor of the Bank of Canada. But we have accepted that, because of the high level of international interest rates, it is not possible, for the time being, to lower interest rates in Canada. My colleague, the Minister of State for Urban Affairs, for instance, will be introducing programs intended to reduce interest rates in specific cases, but I cannot say that, generally, rates will be lowered in the industry mentioned by the hon. member.

Mr. Allard: Mr. Speaker, on a supplementary. Will the minister tell us whether he is speaking of housing or industrial construction?

Mr. Macdonald (Rosedale): Mr. Speaker, I can refer the hon. member to my colleague. There are a few programs through which interest rates are subsidized in the housing industry.

* * *

[*English*]

EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—REQUEST FOR TABLING OF SAFEGUARD PROVISIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. On a recent visit to Japan the Minister's colleague, the Minister of State for Science, is reported as saying that he expected the agreement with South Korea for safeguards on the sale of a Canadian nuclear reactor would be signed soon and that it was a matter of getting the right kind of words rather than getting an agreement. Assuming this to be the situation, would the minister say whether the safeguards negotiated are adequate to prevent the possible diversion to nuclear weapons and is the minister prepared to table the proposed agreement so that Parliament and the people of Canada can judge for themselves whether the safeguards proposed are adequate or whether we are indeed embarking on a grave and possibly tragic course of nuclear proliferation?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the negotiations with the Republic of Korea are in their final stages and we hope the agreement will be concluded shortly. I intend to table the agreement in the House of Commons when it is concluded.

THE CANADIAN ECONOMY

POSSIBILITY OF EXEMPTING NOVA SCOTIA TEACHERS AND STEVEDORES FROM WAGE GUIDELINES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Finance. Observing the niceties of the House may I say: "Congratulations Don; you have lots of headaches". In light of the fact that the school teachers of Nova Scotia, as a result of the crushing burden of inflation, have been working for almost near-starvation wages for three years, and in view of the fact that they are presently negotiating for a new wage agreement, will they be subjected to the freeze as laid down by the Prime Minister and the minister himself or will the teachers and stevedores of the International Longshoremens Association in Nova Scotia receive the same treatment as the Postmaster General has indicated the postal workers will receive.

● (1140)

Hon. Donald S. Macdonald (Minister of Finance): Well, Mr. Speaker, may I express my appreciation to the hon. member from Eastern Nova Scotia, as one who ancestrally comes from Nova Scotia, for the kind words. With regard to his question, there are several answers that will have to be given by the provincial government before I could respond to it. Insofar as the public sector is concerned, we look forward to the answer from Nova Scotia concerning whether it would cover the public sector as proposed by the bill under the federal tribunal or whether it would do as Quebec is doing and set up its own. With regard to the private sector, the guidelines would apply and in that sense the anti-inflation tribunal would have to consider the situation. It would have to consider that with other groups in the transitional situation to which the hon. member referred. I say that in light of the sense of justice that where groups work side by side or in other ways are closely comparable, we should so far as possible try to analogize their basic compensation.

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SOCIAL SECURITY

CRITICISM OF ADVISORY COUNCIL OF METHOD OF FUNDING CANADA PENSION PLAN

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I wonder whether the minister could tell us if he has received the report from the Canada Pension Plan Advisory Council or whether he has taken particular cognizance of the criticism of the Chairman of that council with regard to the borrowing formula under the plan whereby the provinces borrow from the fund. Since there is no government contribution into the Canada Pension Plan, any deficiency or any lack of proper funding is strictly at the expense of the beneficiaries of the Canada Pension Plan which so far in ten years amounts to well over hundreds of millions of dollars.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have not only read the report, but

I have tabled it in this House yesterday afternoon. I therefore hope that the hon. member has had the opportunity to read it since then. The president of the advisory committee gave a news conference yesterday for the media on that subject. I am well aware of the main criticism made about that report, namely that in recent years the provinces other than Quebec have been given a preferential rate on the money they needed to borrow. It is a matter which I have raised previously in many speeches. Of course, any amendment in that regard would have to be discussed with the provinces since any such amendment will have a substantial impact on them and since it is impossible to amend the Canada Pension Plan without the consent of at least two thirds of the provinces making up two thirds of the population.

* * *

[*English*]

AIR CANADA

STATUS OF REPORT OF ESTEY INQUIRY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister in a position to report on the status of the Estey inquiry into the operations of Air Canada. Can he say whether the report is complete, whether he has seen it and can he advise when the report might be made public.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not have the report as yet and do not yet know on what date it will be received or when it will be possible to make it public. I understand that it is a fairly large report and that some further time is required for its final completion.

POSSIBLE REFERENCE OF 1974 ANNUAL REPORT TO COMMITTEE

Mr. Don Mazankowski (Vegreville): May I ask the minister a supplementary question. In view of the fact that the annual report of Air Canada has not been considered by the Standing Committee on Transportation for a number of years, would the minister indicate to the House whether it is his intention to refer the 1974 annual report to the standing committee as soon as possible so that the matter might be followed up by the committee.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am certainly prepared to note the wishes of the committee in regard to the work they are doing. They were undertaking a fairly large piece of work in respect of the over-all transportation policy and a discussion with regard to the next steps in that would be useful.

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MANPOWER

USE OF VANCOUVER QUADRA LIP FUNDS FOR HUMAN SETTLEMENTS CONFERENCE—REQUEST FOR REPLACEMENT

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Manpower and Immigration which concerns the Local Initiatives Program and the Habitat Conference. In view of the fact that the government has neglected to provide funds for the association in Canada serving organizations on human settlements, ACSOH, the agency responsible for providing facilities for the non-governmental organizations participating in the Habitat 75 Conference in Vancouver next year, with the result that 60 per cent of the LIP budget for Vancouver Quadra was recommended for these projects, will the minister consult immediately with his cabinet colleagues with a view to obtaining alternate federal funds for this international conference so that the residents of Vancouver Quadra will not be penalized by the effective removal of 60 per cent of their LIP allocation.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will note the recommendation of the hon. member, but I would add that the primary objective of the Local Initiatives Program is to provide employment to people who would not otherwise be able to obtain it. Certainly, the validity of the project itself is very important; it is of prime importance. However, I will look into the situation.

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GRAIN

SUGGESTED DEFERRAL FOR INCOME TAX PURPOSES OF INTERIM PAYMENTS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I should like to direct a question to the minister responsible for the Canadian Wheat Board. The question is in respect of the recent announcement made by the Canadian Wheat Board. In view of the very excellent co-operation of prairie grain growers in responding to the call of the Canadian Wheat Board for stepped up deliveries of the new grain crop, would the minister respond by considering the suggestion that farmers be given the option of deferrment of these adjustment payments, since current regulations do not permit deferrment for tax purposes?

● (1150)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question has been put to me by many hon. members and by many farmers, however, not incorrectly as was the case yesterday in connection with the need to get deliveries of grain, which obviously is not in issue because it should be clear that the increase in initial price can in fact be deferred in relation to grain delivered after October 9 when the increase took place. The issue is therefore in regard to the adjustment payments on grain delivered prior to October 9. In the ordinary course, those payments would be received and would be a part of the income tax position of farmers. I think it may be difficult to think in terms of any kind of change in the law in relation to that, and the only possibility is whether the way in which the cheques are in fact delivered can alleviate the situation, and I am looking into that question.

Mr. Hargrave: I want to point out to the minister that my question did relate to the adjustment figures payment, of course, but does he not feel that the excellent delivery

was due in a good measure to the understanding of prairie grain growers that they would have at least this option of deferring that adjustment payment?

Mr. Lang: No, I do not think that would be the case because they knew in the last year that when the adjustment took place in November, it was possible for us to have the adjustment cheques go out only after January 1, but that was a mechanical situation which produced the deferrment result. Those farmers, organizations and hon. members opposite who were encouraging an immediate increase in the initial price should have realized that that carried with it in fact a tax consequence adverse to those who did not want to show additional income in the current year.

I should say that I was not correcting the hon. member when I referred to the lack of impact on deliveries, but rather the remarks of his colleague, the hon. member for Saskatoon-Biggar, who yesterday seemed to think that there was some connection.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR LIST OF COMPANIES TO WHICH PROGRAM APPLICABLE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. On Tuesday the minister, referring to his anti-inflation program, stated that the statutory provisions will apply to somewhat more than 1,500 firms, roughly 5 per cent of the total number of firms in Canada, and covering approximately 2,300,000 employees of those firms. Would the minister indicate if it is proposed to publish a list of the 1,500 firms, and if so, when?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the chairman of the Anti-Inflation Board has already been in touch by correspondence with a substantial number of firms. I think it would be useful to have this kind of information available, and I will seek it from him at the earliest possible date.

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BROADCASTING

REASON FOR EARLY START ON FRENCH LANGUAGE TELEVISION STATION FOR VANCOUVER—SUGGESTED TRANSFER OF FACILITIES TO PRIVATE COMPANY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Acting Minister of Communications. It is a follow up to the question I asked the other day. Has the minister yet been able to find out why the CBC French network began to install its antenna on Mount Seymour for channel 26?

Hon. Otto E. Lang (Acting Minister of Communications): Mr. Speaker, I was in the process of writing a note to the hon. member to the effect that I can confirm that construction has indeed started in order to avoid any extra long delay in terms of providing service, assuming that a licence is issued, but of course there could be no possibility of beginning broadcasting without actual approval by way of licence.

Some hon. Members: Oh, oh!

Mr. Reynolds: In view of the restraint program which the federal government has announced, and in view of the fact that channel 26 has already been approved for a private UHF channel, would the minister ask the CBC to sell that installation to the private company which is going to be on channel 26 instead of having to ask them to move to another channel, thereby avoiding installing the CBC French network for a year or two until it is needed?

Mr. Lang: The restraint program is not designed to stop construction and investment in the private sector in Canada.

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AIR TRANSPORT

BILINGUAL AIR TRAFFIC CONTROL COMMUNICATIONS—SUGGESTED RESUMPTION OF STUDY BY COMMITTEE

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport. Before I ask my question I think I can say for all or most members of the House that we are certainly happy that the threatened strike of aeroplane pilots has been averted, at least for tomorrow.

I would like to ask the minister what the government is going to do now that the strike has been averted with regard to getting the committee together to discuss the English-French problem which has arisen in the province of Quebec in relation to the five airports, and further to discuss the grievances which the airline people have.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not at all sure that that particular committee would be the best mechanism for making progress in regard to the problem the airline pilots have raised. We have been having, and will continue to have, discussions with all interested parties to demonstrate that, while where convenient and possible, we would want to make French language facilities available to pilots, the uppermost consideration must be conditions of safety in flight. We will continue discussions with all interested groups involved in the air industry to demonstrate that that is what we are trying to accomplish. We will thereby hope to encourage a certain amount of goodwill on the part of all the groups, some of which have perhaps been fighting with one another rather more strenuously than is desirable.

BILINGUAL AIR TRAFFIC CONTROL COMMUNICATIONS—POSSIBLE ENLARGEMENT OF PLAN

Mr. Jack Murta (Lisgar): I gather that the existing policy for English and French communication at the five airports in the province of Quebec will stand. Is there any thought being given to the policy being enlarged to include all the airports in the province of Quebec?

Hon. Otto E. Lang (Minister of Transport): As I indicated, any such enlargement would only occur once we were quite satisfied that the safety requirements were in fact being met. There is therefore no immediate plan for such enlargement. In a case such as the Quebec city airport we are working on improved procedures to allow for even more effective handling of the kind of traffic which has been attracted to that airport after the change in policy which allowed pilots to use the French language when that was the most appropriate language for them on landing, and we will continue to work on the various recommendations, but always with safety very much in mind.

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[*Translation*]

MANPOWER

SUGGESTED INCREASE IN FUNDS FOR LOCAL INITIATIVES PROGRAM

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, my question is directed to the very sympathetic President of the Treasury Board.

In answer to a question put to him yesterday by the hon. member for Bellechasse on the possibility of increasing funds for the LIP programs, the President of the Treasury Board alluded to the budget introduced last June by the hon. member for Ottawa-Carleton, who was Minister of Finance at the time, and he said this, and I quote:

—if the hon. member wants to know if we are going to add more money to the budget brought down by the hon. member for Ottawa-Carleton last June, the answer is no.

If I am not mistaken, as the amount in the budget of the former Minister of Finance was more than $300 million, does not the President of the Treasury Board, in the circumstances and given the numerous demands from all parts of Canada, including the Gaspé Peninsula and the Magdalen Islands, intend to give an additional amount over the $350 million to meet the needs of the Canadian people?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I must answer with as much sympathy as possible that it is now impossible to change the estimates as regards LIP programs for the present year.

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[*English*]

POST OFFICE

GOVERNMENT POSITION ON CONCILIATION BOARD REPORT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Postmaster General. He indicated earlier that negotiations were taking place between the government and the postal workers' union. I would like to ask the minister whether he or the government has indicated either verbally or in writing to the union that the government is prepared to accept the recommendations made by the chairman of the conciliation board.

[Mr. Murta.]

• (1200)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I have made this point rather forcibly on a number of occasions. Contrary to any propaganda that may have gone out, our representative on the conciliation board, Mr. Boncause accepted the basic premise of the chairman, Judge Moisan that there was a catchup needed comparable to that of the letter carriers and he recommended an identical sum of money and the identical length of term. I accepted that on behalf of treasury and Post Office and reiterated, on half a dozen occasions that until the union came to its senses on the 71 per cent for a 30 hour week it was obvious there was no progress to be made at the bargaining table. Now that their vote is in—I am not sure what its purpose was—we have at least come to the point that we are now negotiating. I hope progress will be made which with endorse again that particular report and settle it according to the guidelines and according to the restraint program, particularly in light of the fact this settlement has been recommended not only by Judge Moisan in this case but by an equally competent authority, Mr. Martin of the letter carriers.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGES AND ELECTIONS

Sixth report of Standing Committee on Privileges and Elections—Mr. Blaker.

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

Mr. Speaker: Introduction of bills: the hon. member for New Westminster (Mr. Leggatt). Stand.

Mrs. Appolloni, seconded by **Mr. Douglas (Bruce-Grey),** moves for leave to introduce a bill entitled an act respecting National Employment of the Handicapped Week.

Mr. Leggatt: I rise on a point of order, Mr. Speaker. Perhaps you missed my nod indicating that I was intending to introduce the bill you referred to standing in my name.

Mr. Speaker: Order, please. I inadvertently took the movement to indicate that the hon. member for New Westminster was prepared to have the bill stand. The hon. member moves for leave to introduce a bill entitled "An act for the parole of Dr. Henry Morgentaler", which I might say has given the Chair considerable concern in respect of its procedural regularity.

I am sure the hon. member is familiar with the difficulty in that the bill, rather than being an amendment to the general law, appears to be a specific application of law to only one person, or an exemption from the general law for the benefit of one person. It therefore would appear to the Chair to be the subject matter, not of a private member's public bill as it is drawn, but of a private member's private bill, which is different in procedure.

If the hon. member proposes to argue that point, I think he ought to have the opportunity. However, I think that opportunity ought not to arise at this hour of the day but, rather, during private members' hour. I do not think we should engage in that kind of procedural argument now and hold up the kind of measure that is to be debated by the House today.

I wonder if we might not stand the bill for the moment, not in an indefinite way but simply for today or Monday, and come to an agreement that soon in one of the private members' hours this matter should be raised and argued at five o'clock. If we cannot come to that resolution, perhaps the hon. member can be permitted to go ahead and argue his point on Monday at three o'clock. Is that agreed?

Mr. Leggatt: Thank you, Mr. Speaker, that is agreed. Apparently I was not aware of the procedure; I thought we could introduce the bill for first reading and hold the argument regarding the procedural question. But I defer to Your Honour's ruling, of course, and that is quite satisfactory.

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NATIONAL EMPLOYMENT OF THE HANDICAPPED WEEK ACT

MEASURE TO DESIGNATE SECOND WEEK IN OCTOBER AS NATIONAL EMPLOYMENT OF THE HANDICAPPED WEEK

Mrs. Ursula Appolloni (York South) moved for leave to introduce Bill C-412, respecting National Employment of the Handicapped Week.

Some hon. Members: Explain.

Mrs. Appolloni: Mr. Speaker, the purpose of this bill is to create a climate of public awareness of the value and fairness of employing handicapped men and women, and to encourage all employers throughout Canada to review and broaden their policies toward the employment of the handicapped.

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

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,176, 2,920, 2,921 and 2,972.

Order Paper Questions

[*Text*]

USE OF THE NATIONAL CONFERENCE CENTRE BY AN INTERNATIONAL GATHERING OF LIBERALS

Question No. 1,176—**Mr. Cossitt:**

1. With reference to the statement by the Prime Minister on page 2135 of Hansard on May 8, 1974 to the effect he assured the Member for Leeds that the Liberal Party was paying for the use of the National Conference Centre by an international gathering of Liberals and with reference to the answer to Question No. 67 to the effect that no rental was paid by the Liberal Party for use of the National Conference Centre on the occasion in question (a) how does the Prime Minister explain this discrepancy (b) did the Prime Minister misinform or mislead the House in his statement of May 8, 1974?

2. (a) What is the total cost of all aspects of the operation of the National Conference Centre for any period of 24 hours (b) what was the total cost of all aspects of the operation of the Centre for the period of approximately five days that it was in use by the Liberal Party from April 29, 1974 to May 3, 1974 (c) will the government be billing the Liberal Party for this sum paid for by taxpayers money?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) and (b) It is suggested that the hon. member for Leeds review the statement and answer referred to. Catering and similar expenses were not charged to public funds. Therefore no discrepancy exists. The House was not misinformed or mislead.

2. (a) and (b) The work and man-hours involved in arriving at a 24-hour cost of operation is not warranted. In the period April 29, 1974 to May 3, 1974, 1,860 persons attended 26 conferences and meetings in the Conference Centre. (c) See answer to Part 1.

PROGRAM FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY (PAIT)

Question No. 2,920—**Mr. Reynolds:**

Is information made available as to those who receive PAIT grants and, if not, for what reason?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The name of PAIT grant recipients and the amount paid is annually listed in the Public Accounts of Canada. Such information is therefore made available on request.

PURCHASE OF CANADAIR AND DE HAVILLAND

Question No. 2,921—**Mr. Hnatyshyn:**

Have various Canadian companies made proposals to the government for the purchase of De Havilland Aircraft of Canada Limited, Toronto and Canadair Limited of Montreal and, if so, which companies submitted bids and what was the amount in each case?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Two Canadian companies, Spar Aerospace Products of Toronto and Cornat Industries of Vancouver submitted a joint proposal to acquire Canadair and de Havilland. The purchase price was subject to negotiation. To date negotiations have not been undertaken.

ELECTRIC ROAD VEHICLES

Question No. 2,972—**Mr. Robinson:**

1. Are any Canadian companies developing electrical road vehicles and, if so, what are their possibilities of success?

2. Does the government intend to encourage such developments with financial assistance in the interest of alleviating pollution and energy problems?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. There are several Canadian companies in various stages of developing electric road vehicles. However, as yet none have reached the production stage and it is not possible to determine their commercial acceptability.

2. Yes, the Government is encouraging such developments under the existing incentive programs.

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the other questions be allowed to stand.

Mr. Speaker: Are the other questions allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, we had an extensive survey of this question earlier in the week on the day devoted to the economy. Much of what would have been said on second reading was said at that time, so I will not repeat it; rather, I will deal with a number of questions raised by opposition members in that debate and since then in the question period, and a number of questions that have arisen in the community. I will also address myself to some of the specific terms of the bill which I think have relevance in its consideration.

I would start off by reminding the House that, while we are dealing with a specific part of the program, the government's request for support for the anti-inflation program is directed not just to any single group but to the whole community. It is founded on the expectation that there is, amongst Canadians, a sense of fairness with regard to the sharing of the resources of our community and everyone, whatever his income level, whatever his occupation, should recognize that we have a responsibility for restraining our demands on the community.

Having said that, however, I would recognize at once that particularly those at the lower end of the income scale are in the least position to pose demands of that kind and are in the most difficult position from the standpoint of protecting their incomes, in light of the inflation that we have experienced in recent years. Therefore, what we have proposed in this particular bill is to get after the big guys, to get after those with clout, landlords and owners of property, to get after the big corporations, to get after big labour in the event that any one of those groups should, contrary to that sense of fairness, seek to draw from the economy more than would be reasonable in relation to the demands of the whole.

The purpose of this bill is to make provision that if there are demands of this kind, the Anti-inflation Board can seek to persuade those who are making the demands to moderate them, and seek to persuade them that if they do not do so, the course of law will have to be followed and in the extreme case, if there is still a refusal, then there would be resort to the law. The fact of the matter is—and this is the basic fact which has to be recognized by all of us who speak on it; it is basic for the person for whom we have responsibility, the little fellow at the low end of the income scale—that if the kind of people with clout, in order to get more, always seek high wage settlements and price increases, the less there will be available for the Canadian of modest income. For this reason, we feel we have to seek this power to protect that particular group.

● (1210)

Retired persons and those on fixed incomes, those in jobs but not organized—those, in other words, at the lower end of the income scale—are not, contrary to what has been said in some circles, the victims of this particular bill. They are the principal beneficiaries of this program and this bill.

The bill recognizes that there are groups with major clout in the community. We seek the support of the groups with major clout in the community in order to achieve our objective. As I have said, the enforcement provisions recognize that if those who have power refuse that kind of support, refuse that co-operation—and I hope it will not be refused—we can resort to the provisions of this particular legislative proposal.

Reference was made in the previous debate to the excellent statement made by the Governor of the Bank of Canada several weeks ago on the important question of inflation, and to the position taken by leaders of the Canadian Labour Congress and other individual labour leaders. Their basic position, as they have said several times, is that the inflationary problem from which we suffer in Canada was not created by the workingman.

I say that the proposals the government has put forward for curbing the present situation in this country, a situation which has not arisen merely in the present but has existed for the past 18 to 25 months, recognize the truth of the statements made by the Governor of the Bank of Canada and labour leaders. We have recognized that the causes of inflation in Canada, as in many other countries, have been increases in real costs. They have occurred in Canada because we have an open economy and because we import so many things.

The problem has arisen in particular because of the increased cost of food, not only here but throughout the world, which has arisen because of shortages of supply.

Costs have also increased most significantly in the past 12 to 18 months as a result of the dramatic increase in the costs of energy in the world, costs resulting from political decisions taken by governments which are under the closest control of those engaged in the petroleum industry. Clearly, we have witnessed real, increased costs which inevitably have affected this community.

As I had occasion to remind hon. members on the other side of the House during today's question period, certain inevitable cost increases arose in the past and certain costs will come forward in future, increases about which we in Canada can do nothing. If we seek to import foreign commodities, if we seek to obtain a supply of energy for the future, we must pay those costs. We must pay increased costs for production in our own country; for example, in agriculture. So we will have to pay more for the things we get. In other words, we will need to allocate our resources to pay for these additional costs.

For these reasons, we think it reasonable—and we thought this at the time of the 1974 election—to give the workingman an opportunity, in salary and wage arrangements, to catch up with those real costs which have emerged in our community. We take that position now, and that is why we are coming forward, not with a freeze, as has been suggested on the other side of the House, but with a flexible system which recognizes that we must make adjustments in costs in our community.

On the income side there will need to be adjustments as time goes on. Those adjustments in income are recognized in the basic protection factor and other elements put forward in detail in the guidelines. We are not complaining, Mr. Speaker, because it is too late to complain about past increases. They were involuntary and, as I said, unavoidable. They are a thing of the past. Those increases in costs and catch-up attempts in salary are now behind us.

Some people may say that Canada's price performance as compared with that of OECD countries, on average, is not out of line. Personally, I do not agree. I feel that our cost increases have been greater than our people can bear. But can anyone suggest that in the future we can tolerate increases of 20 per cent, 30 per cent, 40 per cent and more demanded by different groups in the community? For example, in my constituency I found, from a door-to-door survey, that people had those kinds of rent increases pushed on them with the renewal of their leases.

When we have this kind of thing put forward by the people with big clout in the community, can there be any answer when we say that we have to restrain these increases in costs wherever they may occur, and from whatever group they may come in Canada? There can be no doubt about it: if those kinds of increases in our economy become general, they will affect not only incomes and the rate of increase of inflation but in the long run they will affect employment, the general prosperity of Canada and our ability to compete in our own and foreign markets. That is what the program of restraint is all about.

The program is not punishing anybody for the past. It is trying to look forward, to reach into the future and to head off those anticipatory price, salary and income increases which, in our belief, some people are seeking and which are out of line with what is going to happen in the economy. We believe that these should be restrained so that they do not get out of line in future, because we must bear in mind the economic costs.

Therefore, to reinforce the program and to ensure that the public interest, to which I just alluded, prevails, the bill provides for administrative machinery and for the necessary authority to ensure that the guidelines are complied with by the larger economic forces in our community which are predominant in establishing cost and price patterns.

As we emphasized previously, provincial governments will play a vital role in complementing and supplementing actions proposed by the federal government. I confirm, again, that the Prime Minister (Mr. Trudeau) has proposed to the provincial premiers the holding of a federal-provincial meeting in Ottawa next Wednesday and Thursday in order to discuss the prices and incomes program generally and, in particular, the role the provinces may play in the public sector and in restraining rents and professional fees. The meeting will be attended by ministers of finance, ministers of labour and other provincial ministers responsible for public service compensation.

An hon. Member: What about housing?

Mr. Macdonald (Rosedale): If I may refer in detail to the bill in order to bring attention to some of the measures we feel essential and important, I ought to point out that under clause 3 the governor in council, by order in council, will have responsibility to translate the provisions of the guidelines as set out in the white paper and as modified as may seem advisable by the kind of reaction and advice we are now getting from all sectors of the economy. In other words, it will have responsibility to translate those guidelines and concepts into regulations under the act. For this purpose I draw attention to my remarks of Tuesday last in which I gave notice to parliament, and therefore to the community, that under clause 3(3), as of Tuesday, October 14, those guidelines would be applicable for the purposes of the law.

As I have said, it is obvious that the reactions of provincial governments, the labour movement, business and the professions will give us cause to reflect on the guidelines as set out, and we shall seek to mould the provisions of the guidelines and the regulations to the actual experience of Canadians.

Another problem which has been discussed in the last several days is the treatment of those who were in the process of negotiation before the guidelines came into effect. The policy paper states that special consideration will be given to those cases where contracts have expired and negotiations are under way, where the expired contract was signed prior to the beginning of 1974. Employees and employers in this position who are subject to enforcement should first attempt to reach a settlement, after which they should refer it to the Anti-Inflation Board for its assessment. The board will be expected to give special consideration to the settlement in these circumstances, taking account also of any of the special modifying provisions in the guidelines which may be applicable in deciding whether the settlement is acceptable.

Perhaps I may supplement an answer I gave earlier to the hon. member for Cape Breton-The Sydneys (Mr. Muir) in response to one specific part of his question. The long-

shoremen and stevedoring operations aspects of Cape Breton, being under the jurisdiction of the CNR, will, of course, be covered by the actions of the Anti-Inflation Board.

I would now turn to the bill which defines the areas of application and enforcement of the guidelines, establishes the Anti-Inflation Board, the administrator and the Anti-Inflation Appeal Board, provides enforcement powers and gives authority to enter into agreements with provinces which provide for application of restraint in the provincial public sectors. As I have said, the act will empower the governor in council to promulgate the guidelines in the form of regulations for the restraint of prices, profit margins, compensation and dividends.

● (1220)

As hon. members are aware, the Anti-Inflation Board has now been established under an order in council pursuant to the Inquiries Act. The board so constituted will be succeeded in its existing form, but with the same personnel, by the board once this statute has received royal assent. The two senior members of that board are well known to the House. Already appointed is the Hon. Jean-Luc Pepin as the chairman, and Mrs. Beryl Plumptre as the vice-chairman. It is intended that a third full-time member should be appointed to the board to sit in Ottawa, and five full-time members to sit in each of the major regions of Canada, assisted by additional part-time members. It may be that further members will be added later, depending on the form of participation decided by the provinces.

Commenting on a question raised by the Leader of the Opposition (Mr. Stanfield), there have, of course, been contacts made with prominent individuals in the community whom we feel would be very apt to assume this responsibility. I hope we will be able very shortly to announce both the personnel here in Ottawa and on the local boards.

I believe that the responsibilities to be exercised by the Anti-Inflation Board are reasonably clear. What is perhaps less clear is our reason for proposing the establishment of the separate office of the administrator to oversee enforcement procedures that may be required under the act. Undoubtedly, this function could have been performed by the board, but it was our feeling it would be preferable to divide it.

The role of the Anti-Inflation Board goes considerably beyond that of ensuring compliance with the guidelines by those sectors of the economy subject to enforcement. It has, as I remarked elsewhere, the responsibility to go out—we hope with missionary zeal—and persuade all sectors of the economy to keep their demands within the guidelines. It was our view that to better fulfil this role we should not call on one person to act at the same time as both conciliator and enforcer.

If the board is called on to persuade a party to modify prices and incomes which it considers in violation of the guidelines and subject to the provisions of the law, it would be empowered to refer the case to the administrator for his consideration. If the administrator concludes the guidelines have been breached, he can issue an order enjoining their contravention and requiring reimbursement where appropriate. Orders of the administrator may be appealed to the Anti-Inflation Appeal Tribunal which is already established under the bill. The decisions of that tribunal will, of course, be subject to the general provisions of the Federal Court Act with provision for appeal to the Federal Court. The administrator's orders may from time to time be changed or rescinded by the governor in council.

With regard to the so-called teeth of the bill, it provides penalties for failure to comply with an order of the administrator, for failure to keep appropriate records, and for misrepresentation. It enables the administrator to levy a penalty of up to 25 per cent of the amount by which revenues received or compensation or dividends paid contravened the guidelines where the person knowingly contravened or conspired knowingly to contravene the guidelines without having reasonable grounds for believing that the contravention could be justified.

I would like to refer to the period during which the legislation will be in effect. This question was raised in the earlier debate. As members are aware, the bill provides for a termination date of December 31, 1978, although it may be terminated earlier than that by proclamation, or extended beyond that period with the concurrence of parliament. Because inflation is so deeply entrenched, it cannot be expected that it will be possible to wind it down quickly or easily. Certainly, no dramatic results can be expected in the early stages. For my own part, I am very anxious that this intervention by the government in the operation of the economy should end at the earliest possible date. When that will be, however, will depend very much on the extent to which we are successful in achieving our objective.

Now, Mr. Speaker, I would like to take the opportunity to respond to some of the concerns, questions and criticisms that have been raised in connection with the program announced by the government to launch a concerted attack on the major underlying problems confronting our economy. I very much welcome the generally strong support for the program that has been expressed across the country during the past few days. I recognize that the hosannas were, of course, not universal—that was to be expected—but I appreciate the sense of responsibility displayed by those who differ with our judgment, and I respect their points of view.

A few days ago I read with some bemusement an editorial in a newspaper which has long urged adoption of controls upon us. It was berating the government with all its usual acerbity because of the complexity of the measures put forward. It is rather simple-minded, it seems to me, to believe that in an economy as large and complex as our own it is possible to devise a simple prices and incomes program which is at the same time reasonably fair and effective.

As I indicated when I spoke in the special debate on Tuesday, and would like to emphasize again, we are well aware that the program proposed in the legislation before the House is bound to create difficulties and uncertainties. They are inherent in the nature of our economy. We will be working very hard in the days ahead to do everything possible to minimize those difficulties and uncertainties in consultation with the provinces, labour, business and other groups. But there is certainly no such thing as a perfect system that will be fully acceptable to all the

people all the time. No doubt there will be conflicts and contradictions, particularly in trying to deal with the tough problems that will arise during the transition period. As the Leader of the Opposition has suggested, perhaps the best that one can hope for is some form of rough justice. That, however, is surely far more preferable than the rough injustice created by inflation itself.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I must say that I am obliged to the members of the official opposition for referring to the past. I want, with the same kind of gentleness and restraint for which I am always known—

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): —and which the Leader of the Opposition demonstrated the other day, to refer to the question raised about the policies followed by his party at the time of the 1974 election campaign and before. I would probably be less than human if I did not comment on the remarks that he made, perhaps out of context, about energy conservation. There was a lot of talk by the Leader of the Opposition last Tuesday about changes of mind, changes of direction and suggestions about problems of immorality. I invite the House to go back several months to the evening when the conservation program was announced here. The most fundamental observation the Leader of the Opposition could make at that time about that program was to trot out his rather tired old joke about underwear. Indeed, those who were present at that time will recall the statement had to be made over the hollering and yelling of his supporters who at that time were not deeply interested in energy conservation.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): There is a learning factor in these things. If several months later the Leader of the Opposition is prepared to take a positive viewpoint toward energy conservation, I welcome him to the fold and promise not to berate him again for his change of heart.

● (1230)

As I anticipated, the Leader of the Opposition could not resist the temptation to characterize the program now being put forward by the government as a vindication of the mandatory, comprehensive prices and incomes control program he advocated during the last election campaign and for 15 months before that. It is, of course, nothing of the kind.

I referred the other day to an important and valuable witness in this context whom I should like to summon—and I will call only one witness in this regard—with respect to the assertion made by the Leader of the Opposition and the wisdom of the policy he put forward during the 1974 election. I refer, of course, to the hon. member for Don Valley (Mr. Gillies), a professional economist, a former dean of the school of business at York University, a former chairman, on behalf of the big blue machine, of the Ontario Economic Council, a former Conservative financial critic, and the architect of the wage and price control program which he first proposed in this House on behalf of his party on February 22, 1973.

Mr. Alexander: This is what you call co-operation? I get the point.

Mr. Macdonald (Rosedale): That is an interesting notion implied by the hon. member for Hamilton West (Mr. Alexander). This is the kind of parliamentary give-and-take that he likes: he gives, but he cannot take. Speaking to the Kiwanis Club of Toronto on September 3, 1975, the hon. member for Don Valley contended that a case could be made for the position adopted by the Conservative Party when it was first put forward in the Spring of 1973. But, he added—and this is a direct quotation from his text:

> As you will recall, in the fall of 1973 the OPEC countries raised the price of oil and started their embargo and the economic situation throughout the world changed. Obviously, new economic policies were required but the response of the Progressive Conservative Party was that the public expected national parties to stay with their position.

The hon. member continued:

> On the face of it, such a stand is absurd because policies must change with prevailing conditions. The party lost credibility and, as usual, the Canadian people were not willing to elect a party that seemed so incompetent.

I will say no more about the Conservative view in this connection. It would seem to me that in all probability the more meaningful debate which could take place on this subject would be inside the official opposition caucus room rather than in this chamber.

As for the New Democratic Party, to adapt an immortal phrase of the right hon. member for Prince Albert (Mr. Diefenbaker), it seems to me the leader of that party tipped over a few ashcans himself when putting his policy forward the other day. During the course of the debate, the hon. gentleman agreed that inflation presented a very serious problem, but his proposals for dealing with that problem were notable for their absence. He by no means stands alone in his contention that, while the prices and incomes measures proposed by the government may well be effective in restraining wages and salaries, they will be quite ineffective in restraining prices and profits.

He gave two reasons—two contradictory reasons—to support this contention. He said there was no way of preventing an army of company accountants circumventing the guidelines by padding costs and manipulating profits. I have to confess that this is an arguable case. At the same time, I know of no one with less credibility to advance that argument than the leader of the New Democratic Party. How many speeches have we heard inside and outside the House by a succession of NDP leaders and their followers demanding the establishment of some kind of federal agency to restrain excessive profits and prices? During the last election campaign, David Lewis stomped back and forth across the country calling for the creation of a national price control board to investigate and roll back prices which it found to be unjustifiably high. Speaking in Vancouver two weeks ago, Mr. Lewis' successor, the hon. member for Oshawa-Whitby (Mr. Broadbent), is reported by the Canadian Press to have told a news conference that Canada should meet inflation head on by establishing a prices review board with teeth in it. He keeps referring to the teeth. While he was out in Vancouver he must have gone to see "Jaws".

An hon. Member: We can see the jaws working now.

Mr. Macdonald (Rosedale): The teeth should operate over many sectors of the economy, he said, and the board should have power to roll back inflationary price hikes. I am not surprised that the NDP leader should not have repeated that particular statement here in the House the other day. It must have been transparently obvious, even to him, that he could not at one and the same time call for the establishment of a prices review board with teeth in it and then argue that such a board would be rendered toothless by an army of big business accountants. That, after all, would have made a sham and a mockery of his own proposal put forward just two weeks ago and of the position taken by his party 15 months before. What he was doing, apparently, when he referred to jaws, was enlisting the aid of the shark and then saying it was going to be a rubber shark.

When he spoke in the debate, the leader of the New Democratic Party contended that some measure of control could be established over prices and profits only by creating "an army of bureaucrats". I have never heard it suggested by the hon. member for Oshawa-Whitby or by any of his supporters that a similar army of bureaucrats would be needed to man the prices review board which his party has repeatedly advocated. It is easy to conjure a vision of a phalanx of furtive accountants labouring long into the night to work their deceptions. I might remind the hon. member, though, that over the years a comprehensive and well established system of accounting practices has been developed, particularly in connection with corporate income tax, in order to prevent just such deceptions.

I would remind him, also, that when he suggests it is impracticable to deal with price increases after they have occurred by regulating profits, he further contradicts the position taken by his own party. Mr. Lewis, it may be recalled, proposed to regulate prices by reference to returns of profit on capital.

An hon. Member: Let us talk about the bill.

Mr. Macdonald (Rosedale): It is true it is our intention that the staff of the Anti-Inflation Board should, at least at the outset, be reasonably small and compact. We have no wish to create another army of bureaucrats if it can possibly be avoided; and I think it can. But the board will have power to engage outside services as may be required from time to time to augment its own facilities. In addition, I anticipate that the administrator will also be able to call on existing government services, for example, those of Revenue Canada, to assist him in carrying out his responsibilities under the act.

In this connection, I might advise the House that I have been informed by the chairman of the board, Mr. Pepin, that he is sending letters to all of the larger companies covered by the compliance provisions requesting their assistance and co-operation. The letter indicates the records they will be required to keep in order to comply with the terms of the policy statement and the bill, copies of which are also being sent. The companies are further advised that in some cases they will be required, under the authority of this legislation, to give the board prior notification of proposed price increases once the act comes into force, a power the board does not now possess under the Inquiries Act. We are calling for at least some prior notification of major price increases. While I cannot pretend that the administrative machinery we are proposing will ensure total effectiveness in the area of prices and profits, I am confident it will play an extremely important role in discouraging price and profit violations.

During the course of his remarks, the hon. member for Oshawa-Whitby referred to certain figures related to price and wage levels in Canada over recent years. I think it is important to reflect on this, because enforcement is the backbone of the whole program. The contention made at that time was that restraint over wages and salaries was unnecessary. I might say this was notwithstanding his suggestion, which I understand the hon. member for Oshawa-Whitby made at a press conference in Vancouver, that a prices review board—the one he referred to—should have authority to investigate sharp wage hikes.

● (1240)

It is, of course, a matter of judgment whether there is reason for concern over the fact that for a period of several months the rate of wages and salary increases in Canada, and more particularly claimed increases, has been rising at twice the pace of that achieved in the United States. I find that his position contrasts rather strongly, however, with that of the three NDP premiers, all of whom expressed concern, in their responsibilities of office, about the impact in their communities of very substantial increases.

On a number of occasions the leader of the New Democratic Party has noted, as he did last Tuesday, that over a three-year period to mid-1975 the consumer price index rose by 33 per cent, while the average industrial wage rose by 36 per cent, which meant that the real increase in the standard of living for working Canadians was at about the level of 1 per cent annually during that period. Therefore, he concluded, Canadian workers had received less than their fair share of the increase in national wealth.

I think it is fair to remind the hon. member that in most of the major industrial countries, the real standard of living of the industrial worker has not increased but in fact has declined significantly. Also during this period the real GNP per worker in Canada declined by 3.2 per cent, notwithstanding the relatively strong expansion of our economy by comparison with other countries, because of lagging productivity growth and the exceptionally large increase which has been taking place in the size of the work force. But the real, personal disposable income that is available per worker—that is to say, what he has in his hands when he takes home his pay—after payment of direct taxes increased by 3.8 per cent in Canada; and one of the major factors accounting for this development is the personal income tax reductions and higher income support programs which this government has espoused.

I should like, Mr. Speaker, to respond to suggestions by the leader of the NDP that the program we have proposed is unfair because the minimum increase provided for under the guidelines of up to $600 a year for those of moderate income is unreasonably low and, perhaps more importantly, that there is no mandatory requirement that an increase of that amount be provided. There is nothing magical about the $600 figure that we have proposed as a

minimum. What figure should be selected is obviously a matter of judgment, and I noted with interest that while the hon. member for Oshawa-Whitby was critical of that figure, he expressly avoided indicating what figure he thought would be reasonable under the circumstances.

We have attempted, for our part, Mr. Speaker, to strike a balance that would make room for some greater increase in income for those in the lower brackets than would be permitted under the guidelines, and which at the same time would be reasonably consistent with moderating the pace of inflation in Canada.

Were we to have taken no action to attempt to dampen the present spiral of costs and prices, there would be equally no assurance that those of lower incomes would receive increases that matched or exceeded this minimum. In fact, the prospect is that those on the lower rungs of the income ladder would be significantly worse off, in real terms. That is the point I made at the start of my remarks, that in this period of rapid escalation of demands it is those with the least power, those at the lower end of the income scale, who suffer most at the expense of those with the real clout. If the more powerful groups in our society are able to continue successfully in carving out an increasingly larger real share of the economic pie, there will be that much less available for those who are less powerful; and it is for that reason that we recommend this program on behalf of that particular income group.

It is often suggested, and we do not disagree, that greater equity must be achieved in the distribution of the nation's income. It is one thing, however, to acknowledge this goal in principle; it is another to observe it in practice. In practice, there is no way in which those on the lower rungs can secure a greater share of real income if those on the upper rungs continue to be successful not only in maintaining traditional differentials in income but in widening those differentials as circumstances and economic power permit.

It is sometimes contended that some form of social assistance, either by way of a tax credit or other means, should be adopted to bring about greater equity in the distribution of national income. Indeed, we in this country have adopted over the years one of the most advanced systems of social assistance to be found anywhere in the world. I think it should be remembered, however, that the means to achieve this objective has to come from somewhere. The goal of narrowing the gap in income distribution can be thwarted if those in higher brackets are successful in maintaining or increasing their own real, after tax share of take-home pay by pushing up their income levels. Hence the program that has been put forward.

In any case, Mr. Speaker, I suggest that this is not the time to embark upon major new social assistance programs which one way or another would add substantially to government costs. As I have said, the greatest contribution that we can make now to improving the well-being of those in lower income groups is to focus our energies on breaking the spiral of inflation which threatens to leave them farther and farther behind.

Before I conclude, may I underline the fact that the prices and incomes program which is embodied in the legislation before the House does not, and of course cannot, stand alone but must be seen as part of other interrelated policies and programs. It cannot be expected, for example, that the measures to bring about price and income restraint will be successful in moderating inflation and facilitating the restoration of sustainable economic growth unless we also pursue appropriate fiscal and monetary policies. Special additional measures will undoubtedly be required to deal with special problems, such as housing. But it is essential to recognize that there are very real and severe limitations on what governments can do in terms of their over-all fiscal position.

If we were to increase substantially the total cash requirements of governments by sharply increasing spending, by sharply cutting taxes, or by both, we would add further to the already high demands that governments are making on capital markets. This would push interest rates to still higher levels and, in turn, further impede economic recovery, particularly of housing construction. Some might suggest that in order to accommodate increased government borrowing we should expand the growth of the money supply. Any brief effect that that would have—

An hon. Member: Who said that?

Mr. Macdonald (Rosedale): Hon. members opposite ask who it was. It seems to me that we had a general chorus of dissent against the Governor of the Bank of Canada when he increased interest rates as a means of moderating growth of the money supply. You cannot have it both ways. So there has been support for increases in the growth of the money supply on the other side of the House, I think it is fair to say, by their objection to that particular decision.

As I was saying, any brief effect that such a move would have—namely, increasing the money supply—in reducing short-term interest rates would be quickly engulfed by the substantial increase in longer term interest rates that would also follow because of the impact that excessive monetary growth would have in generating expectations of still higher inflation.

In the operation of our economic system, therefore, I think hon. members have to remember that everything connects. I think that the prices and incomes policy established in this bill can make an important contribution to restoring the stability of Canada's economy so long as our other programs and policies are carefully directed toward achieving the same objectives. That, Mr. Speaker, will be the objective of this government within the over-all context of the prices and incomes policy, as well as to concert policy-making generally, so that we may be able to reduce the spiral of inflation in Canada and, in particular, bring about a better comparative position for those at the lower end of the income scale, people who, whatever the side of the House and whatever the party, should be the prime concern of all of us.

● (1250)

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would begin—

Mr. Trudeau: Is this a point of order, or is the hon. member making a speech?

Mr. Stanfield: I hope so, because you need to be brought to order in some way.

Mr. Baldwin: Mr. Speaker, I am sorry the Prime Minister (Mr. Trudeau) objects to my making a speech, but I am going to go ahead anyway.

An hon. Member: When is he going to make a speech?

Mr. Trudeau: On Monday.

Mr. Baldwin: Mr. Speaker, I will deal with the Prime Minister after I have demolished the Minister of Finance (Mr. Macdonald). During the course of this debate I intend to make some comments about the Minister of Finance in his capacity as a lawyer and in relation to some of the provisions of this bill. I say this to him to begin with, that he has at least learned something. If one has a weak case, one concentrates on irrelevant issues, and that is exactly what the Minister of Finance has done.

Mr. Speaker, we have before us one of the most important bills of all those that have been placed before parliament for a great many years, probably since the last war. I intend to say something about its values later on. At the same time, we have a Minister of Finance who has failed miserably, abjectly and utterly to defend the bill or to explain those provisions about which some of us are deeply concerned. He spent most of his time engaged in a scurrilous attack on the Leader of the Opposition (Mr. Stanfield), the leader of the NDP and other members.

Some hon. Members: Oh, oh!

An hon. Member: You know that is true.

Mr. Baldwin: This minister has failed to meet the test by dealing in plain and honest terms with this extremely important measure. I am sure his predecessor would not have failed to do that. There is every indication that this minister has not done that because he cannot, and perhaps he cannot because his heart is not in it.

An hon. Member: He just doesn't understand it.

Mr. Baldwin: It is rather interesting to note that in his preface the minister went into the matter of the constituents in his own riding having to pay tremendous increases in rentals for housing accommodation. I suggest to the minister that this is a responsibility which he and his colleagues must bear. During the time that this difficult situation has been developing—I refer to the difficulties in respect of inflation which have now occurred—members of this party and others in this House have put forward suggestions and propositions. Many were put forward during the last election campaign and even before that time; but the trouble was that a group of bloodless zombies masquerading as a cabinet did not have the guts to do anything about the situation.

Some hon. Members: Hear, hear!

An hon. Member: Is that a scurrilous attack?

Some hon. Members: Oh, oh!

[Mr. Trudeau.]

Mr. Baldwin: That is a fair description, in a political sense, of that group of people sitting opposite me; and I am speaking in a political sense. It pains me to have to say this, Mr. Speaker, but I think it is rather interesting to note that what we have heard from the Minister of Finance today is a preview of his next budget. He has talked about government objectives, and I think we have an indication of what is likely to be in his next budget, if this minister should survive that long.

An hon. Member: He will resign before then.

Mr. Baldwin: What else can we take from this minister's statement? We are faced with an exceedingly complicated and difficult problem, with its pressures upon so many sectors of our economy. This is a problem which will require co-operation from all segments of our society, particularly the provinces and the municipalities. Is this proposed government co-operation to be achieved by the kind of comments made by the minister today? Will that kind of comment result in the kind of conciliation, understanding and co-operation that is required? Is this the kind of thing we are going to hear throughout this land from the Minister of Finance, the Prime Minister and others in the government? If that is the case, then with all the good will in the world I doubt that the government will be successful.

While we have most grave reservations about this legislation in its present form, we want a program to be put in place by this parliament which will work to do something about the inflation that has plagued the people of Canada for altogether too long.

Some hon. Members: Hear, hear!

Mr. Baldwin: I admonish the minister and suggest to him that he find a more conciliatory and reasonable approach in dealing with the people of Canada, starting with the members of this House and carrying on to include provincial governments and those segments of the labour and business communities with which he will be dealing. I suggest to the Prime Minister that otherwise he should buy a muzzle and make it available to the Minister of Finance.

Mr. Speaker, I wonder if I might call it one o'clock, as this seems to be an appropriate time?

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Baldwin: Mr. Speaker, having had time to reflect during the lunch hour, I feel I dealt a little too harshly with the Minister of Finance, particularly in one instance. The Minister of Finance has lightened the labours of myself and other members of our party by making it crystal clear that the program envisaged in the legislation and the guidelines which have been presented to this House in the form of a white paper are completely distinct

and different from what was advanced by this party during the election campaign of 1974 and before.

I refer to the proposals advanced by my leader and supported by members of this party which constituted, in fact, a workable package and lacked the monstrous qualities contained in the program the government has brought forward. The minister's admission is now on the record, and it is quite clear that what, in fact, is contained within the four corners of the bill and of the guidelines is not the package which was proposed by our party.

Before leaving the speech made by the minister, I want to say, again, how genuinely sorry I am that he made no real effort to deal with the bill and to explain its provisions. It is an exceedingly difficult set of proposals which the government is bringing forward. The proposals are full of enigmas, confusion, ambiguities, puzzles, doubts and uncertainties.

At times we in this House become too introspective, but outside the four walls of this chamber there are thousands of people who have important decisions to make involving the economy of this country and the well-being and social and economic future of millions of Canadians who are anxious to know what is involved. I did not expect the minister to have at his fingertips at this time all the answers not only to the questions which have been asked by hon. members in this House but those which are being asked by people all over this country. However, in his second reading speech in which he set out to seek approval in principle of this type of measure, I think it was reasonable to believe he would come before this House prepared and equipped with knowledge and information to provide at least some of the answers. This he has not done. I do not know whether the minister has not done this because there is not complete agreement among members of the government. If so, that is a tragedy. It may be because the minister himself is not too certain of the facts, the law and the economics involved. I do not know.

When I look at the number of clauses and the draftsmanship in respect of the clauses, I have every reason to believe this bill has been around the Privy Council for some time. If that were the case, and if the minister and the Prime Minister believed in the bill and the program, the minister would have come here with a speech of some length—and I would have been prepared to listen to it—in which he would have dealt in depth and in detail with the problems which face this country in respect of our inflationary condition, the problems which this bill poses and the problems to which the bill supposedly offers solutions. I am particularly sorry this has not been done. I hope the minister, when he closes the debate, will rectify this mistake. I hope he will do something to answer the questions which are being asked by people all over this land.

I propose to deal in a brief way with some of the issues consistent with this being a proposal for approval at second reading and reference to a committee. I shall raise, from time to time, various issues dealing with parts of the bill. First, I should like to emphasize what I suggest is an absolutely imperative and essential condition if this enterprise is to have any success. I refer to the need for the wholehearted, enthusiastic and highly visible involvement of the Prime Minister. We did not get that feeling from his appearance on television the other night and have not been encouraged by the reticence of the Prime Minister to this point, although I was glad to hear him suggest today that he might be speaking on Monday. The impression I have is derived not only from what he has left unsaid but from the manner in which he said what he did say.

If I were a show critic and had only one sentence by which to describe the performance of the Prime Minister on Monday night, it would be, "Leading man mumbles lines he doesn't believe in a play he finds unreal". I suggest that this is not the way in which to fashion and secure the confidence and co-operation of the great mass of Canadians. Even with such confidence and co-operation, which are conditions precedent to any realistic and reasonable effort to solve the crisis of inflation which has overwhelmed us, it will be difficult—without them it will be impossible. One gets the sinking feeling very early in the proceedings that the Prime Minister is heading for the bunker. This is totally unacceptable, in the circumstances, in view of the fact that the Prime Minister was the country's leading salesman against mandatory controls until Monday night. He alone can undo what he has done. There is no other way. Parliament and the country cannot tolerate another "death of a salesman."

The Prime Minister is not renowned for listening to advice, but perhaps he might take some of his own which he put forward on February 28, 1974, as recorded at page 36 of *Hansard* for that date. This is what he said:

● (1410)

—income controls risk hurting the small and the poor more than they do the big and the rich; and while that might be of minor concern to the more conservative governments and political parties, it is of great and fundamental concern to this government—

We do not believe that the workingman should be expected to bear an unfair share of the cost of solving the problems of inflation, and that is why we will ask him to treat with great skepticism any argument for general controls which does not set out all the facts, the pleasant as well as the unpleasant, those with political appeal and those without.

In all honesty, I say to the government and to the Prime Minister that if he really believes that a program of restraint can be made to work—and I am one who not only hopes but feels that it is essential—so that inflation can be contained, then he was to assume real leadership. Not only must he be sincere but he must also be perceived to be sincere. He is required to convince this parliament and the nation that this is his immediate and major task. I have to suggest that this has not happened so far, and what the Prime Minister said on Monday night could not in any way be construed as dealing with my remarks.

I have already set forth what the Prime Minister said in 1974. He may well think that he covered that up by his words etched in stone on television the other night. If this is what he thinks, he is not only wrong but he is, more importantly, doing a disservice to the program of the government and to Canadians. A one-shot commandeering of the television networks is just not good enough. His taciturnity in parliament is counterproductive in its effect. The working man, who was of so much rhetorical concern to the Prime Minister in February of 1974, does not have videotape equipment on which to replay the Prime Minister to bolster his spirits.

How is it helpful to this program if the workingman feels that to a muffler installer he may be a somebody, but

to the Prime Minister it seems that he is just another neglected nobody on society's back benches?

Some hon. Members: Hear, hear!

Mr. Baldwin: I confess that there is a certain enjoyable element in reminding the Prime Minister of his earlier statements, but let me hasten to assure the House that we are very serious about the point being made. We have a bill before us of unprecedented dimensions in peacetime. I agree with the Minister of Finance that it will be generally perceived to be frightening. If there is also a general perception that the Prime Minister has pressed the button and then gone off to languish by the pool, we are all headed for a morass of confrontation through our society. I would like to raise what I consider to be some fairly important and contentious aspects of the legislation which in our view will have to be taken into account and corrective measures applied before the bill is finally passed through all stages by this House.

To begin with, I am simply appalled at the effrontery of the Prime Minister, the Minister of Finance and the government in asking this House to grant to it the unique, extraordinary and terrifying powers, to use the minister's words, which are asked for for an open-ended period of time. I would protest if my own party asked for those powers. Despite the respect and admiration I have for my leader, I would oppose him if he introduced legislation of this kind, although I could never see him seeking to do so in these terms. Let me put it simply in this way: the legislation as it presently stands would permit this government, some time in the late fall of 1978, to put forward and ram through motions which could extend for another two, three or four years the kind of legislation which we are considering. I am not prepared to entrust this power to any group of people, and certainly not to this government.

Some hon. Members: Hear, hear!

Mr. Baldwin: I repeat, that as far as we are concerned, this aspect is totally unacceptable and simple will not wash. We will be proposing an amendment at the appropriate stages of committee and later to deal with this, and in our view failure to provide something to cover this problem, so that we will not be in a position where we sit here until 1978 waiting for the government to decide whether to extend the legislation, is unacceptable. We will propose an amendment which will provide that at an earlier date during the life of this legislation, this House will have, as it must, the right to decide whether under the circumstances which then exist the extension of the legislation is warranted.

Then there is the idiotic procedure outlined governing the lines of communication and appeal between the anti-inflation tribunal, the administrator, the deputy administrators, the appeal tribunal, the Federal Court and the cabinet. This is a sort of hydra-headed monster, a form of legislative Rube Goldberg caricature which is going to cause great trouble for the people in labour unions, business and all elements of our society affected by this legislation.

Mr. Baker (Grenville-Carleton): Even the marketing boards.

Mr. Baldwin: There is the question of the extent and nature of the penalties, the way they are imposed and the judicial power given to the administrator to act as investigator, Crown prosecutor, judge, jury and executioner in connection with the administration of the legislation. There will be the question of detailing the special circumstances which will permit decisions to be made in order to provide complete equity. However, I will leave these for others to deal with. I would say, however, that it should come as no surprise to members of this House when I express my anxiety as to the extraordinary extent to which the House is being asked to place in the hands of this government unique and tremendous authority to deal, in the most intimate detail, with the property and the social and economic well-being of the people of Canada.

The whole course of the history of this government, of the Trudeau administration and its immediate predecessor, has been marked by the extent to which they have reached out year by year, session by session, act by act, and stolen from the people the right to order their own affairs, and vested that right in the bureaucrats of Ottawa; and in doing so then have refused to provide adequate safeguards to prevent the abuse of that power.

I will not take the time of the House at this stage to go through the bill clause by clause and to point out the extent of and the places where vast, authoritarian fiats have been granted to the various tribunals, the administrators and the cabinet. It is complete, unrestricted and unabridged authoritarianism granted to a government composed mainly of bureaucrats blooded by experience in high positions of one kind or another before coming into politics, and whose appetites have been whetted by their period in office as members of the cabinet.

● (1420)

Mr. Speaker, this party and this House would be delinquent in its duty if it failed to provide, by way of affirmation or negative resolution, that parliament should retain some measure of control and supervision. It ought not to be asked, nor must it agree, to yield on behalf of the people its duty to examine from time to time the salient aspects of what is being done under authority granted by the legislation. It is our intention to press to see that apt words to this effect are included in the bill.

I see my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), is in the House. I think only he and the right hon. member for Prince Albert (Mr. Diefenbaker) were in the House at the time it was found necessary to wrench from another Liberal administration the powers it had taken during the last world war and retained year after year, long after the crisis had evaporated. I think that is a lesson we cannot forget.

Mr. Knowles (Winnipeg North Centre): Same old gang.

Mr. Baldwin: I would not say it is the same old gang; I would say they are a lot worse, Mr. Speaker.

Mr. LeBlanc (Westmorland-Kent): Same old jokes.

Mr. Baldwin: It would have been the intention of this party, if it had been placed in that position following the last election, to have dealt with the problems of inflation

to provide, in any legislation passed, the most salutary means of supervision by parliament. This is one aspect of public life which distinguishes our party from the governing Liberal party: our unreserved belief in the supremacy of parliament and the right to supervise, on behalf of our constituents, the actions of the government, particularly a government which shows itself to be power-struck and imbued with the belief that there is a divinity in the Liberal hierarchy which gives them the right not just to govern but to rule.

Under these circumstances, I would be most unhappy to see this legislation passed in its present form without there being some capacity left in parliament to exercise its ultimate supervision.

Some hon. Members: Hear, hear!

Mr. Baldwin: Let me say that I utter these words with complete sincerity and deep earnestness: the end product of the weakening of the legislative system and the power grab of the executive system is dictatorship. There is no doubt about that. Whether it is done in one bite, or by gradualism and the whittling away process, is immaterial. There are countries today in the world, in Europe, which have gone so far along this road, often under the feeble disguise of socialism or democratic socialism, they cannot turn back. The tragedy is that as they float along on their easy ride, they do not even know their boat has been caught in a destructive whirlpool.

I turn to the question of information, knowledge, facts. As to this, also, there is no argument as to my position, the position of my leader and of our party. We have stood for a number of years for a program of freedom of information so that the people of this country will know what are the facts, what is the truth, and the basis upon which the governments are operating. I say we have no confidence in this government or in its good faith on this issue. We insist that it must be answerable to this House, on behalf of those who will be so deeply affected. We will want to know what discretion it is exercising under the bill, how it is exercising it, and why.

Here we have a Prime Minister and a cabinet which, almost up to the final moment when it produced the program out of which this bill was formulated, continued to assert in budgets, in speeches, in debates, in and out of the House, that things were improving, that there was no need for controls; which has, in general, engaged in a measure of calculated deception through secrecy, misinformation, half truths and outright lies. I say, Mr. Speaker, that we will expect, before this bill is passed, that some of its very rigid provisions at the present time with regard to confidentiality—

Mr. Macdonald (Rosedale): Surely the hon. member will withdraw that last remark.

Mr. Baldwin: —will have to be amended and provide for freedom of information. Because of our experience in the past—

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a question of privilege. The hon. member referred to this government as having engaged in "outright lies". Surely that is not a parliamentary expression. I think he should withdraw it.

Mr. Baldwin: Mr. Speaker, I think what we are talking about is privilege of members of the House. If the minister wants to indicate that I was talking about him, of course I will be glad to withdraw the remark. But I was not talking about him, Mr. Speaker, I was talking about the government; and the government, of course, includes ministers, deputy ministers, stooges, parliamentary assistants—so I would defy the thin-skinned and sensitive minister to find anything in the precedents which provides that I am not entitled to say that. However, if the minister is really worried about it, I will be—

Mr. Macdonald (Rosedale): It is parliamentary practice that you should withdraw.

Mr. Baldwin: As it applies to members. If the minister is that thin-skinned about it, so sensitive and worried about it, I am perfectly prepared to say I might have stretched my imagination just a little bit.

Mr. Macdonald (Rosedale): That is scurrilous.

Mr. Baldwin: Before this bill is passed there are some other things that we think the government should do. Because of our experience in the past, and because of the waffling in the speeches during this debate with regard to the question of government restraint, we should require and should obtain, before the bill is passed, a commitment of the firmest kind that the government will exercise fiscal restraint—not just the airy-fairy, vague statements of the past, always made with tongue in cheek, never meant and never carried out, always left in the realm of fantasy. If the government is to be credible, it is essential that before the debate is concluded a responsible minister stands in this House and by verse, chapter and number, gives this commitment. If they do not, then I suggest it will sadly impair their credibility in the country for the purpose of the program which they have proposed in this legislation.

Let me return to the point I made at the beginning. If any form of incomes policy is going to work, there must be the utmost trust and confidence between the governed and the governors, and that confidence cannot be maintained unless the governors are prepared to take the governed into their confidence, to tell the facts truthfully, honestly, accompanying the decisions which are being made. I am convinced that the people of this country have the capacity, endurance and willingness to assume the responsibilities which they must to help solve this inflation, but only if they have respect for those at the top who are making the rules and can expect to be told the truth. I repeat, before the bill is passed it should contain a statutory right of access to information.

I could talk about the constitutional issues, Mr. Speaker, but this is not the place to do so. The minister and I have been over this ground before on his energy bills, where we have tangled over the constitutionality question. I am not going to waste the time of the House by engaging in another argument with him. I left those other debates, however, wondering who the professor was who passed him in constitutional law. I often wonder if he was at the

University of Montreal in 1961 when the Prime Minister was a professor of constitutional law.

This matter has been raised by my leader and by the right hon. member for Prince Albert. In reading the provisions of the bill, I note there is a very careful distinction between the basis on which it proceeds the preamble, and the preamble in the legislation passed during the course of the last world war. I do not know whether this is because the government has doubts about its own legislative capacity. That doubt may be maintained because they have not seen fit to exempt the provinces. I do not object; I merely say that a fair survey of the provisions of the bill indicates that the government doubts its own legislative capacity.

● (1430)

When the minister replies to end the debate, I hope he will tell the House if it is intended that this legislation shall abrogate the Bill of Rights. One provision of this bill is that the provisions of the act shall apply notwithstanding any other legislative proposals existing in any other acts of this country. Does the government intend the Bill of Rights to be subordinate to this legislation? I ask this because on the order paper there is a bill dealing with human rights, a bill which will be far reaching in its effect. Does the government intend this bill to override the human rights legislation? Perhaps the minister will answer these questions when he closes the debate.

I hope that any defects which may exist with respect to powers the government seeks will be met by the pursuit of a vigilant course of communication between the federal government and the provinces, to ensure that if a bill is finally produced it is acceptable to this House. That cannot be said of the bill we are looking at now. We hope that the bill will be not constitutionally unsound or susceptible to challenge by provinces which are unwilling to submit to the federal jurisdiction.

It appears that this bill will go to a standing committee. Let me make it quite clear that it is not the intention of my party to hold up the legislation unnecessarily. That is far from our purpose. But we should be failing in our duty to our party, our constituents and our country if, on a measure as important as this, we do not take every reasonable opportunity to cross-examine officials as to the meaning of certain clauses—unless the minister can demonstrate a knowledge, later, which he has not indicated so far—to secure explanations, to move amendments, some of which I have indicated, and to some extent at least to allow for the calling of witnesses and the presentation of briefs.

I want to make it clear that in our opinion this does not mean that the committee should be thrown open for the whole world to appear. This would cause difficulties. To some extent, time is of the essence. But having in mind what I observe to be the approach of the chairman and vice-chairman of the proposed Anti-Inflation Review Board, I suggest that there is obviously some lack of understanding and comprehension of what is involved on their part and they might well appear before the committee to obtain some on-the-job training and experience which they have not had so far. It is absolutely essential to give representatives of labour, business and of consumers the opportunity to appear before the committee and give

[Mr. Baldwin.]

their views, so that they can discover what is involved in the legislation, ask questions and present their points of view.

I suggest to the minister and to the government that if government supporters on the committee are determined not to allow this kind of committee investigation, they will be doing a disservice to the committee, to parliament and to the general opportunity to introduce a program which will work. It will be far better to seek some indication at the committee stage of the problems and difficulties which are liable to occur, so that administrators and tribunals may plan accordingly, rather than wait until the actual foul-up takes place, a foul-up which would necessitate their doing these things after the event. For this reason, I make it plain that when the bill goes to the committee we will hold the government to be completely in the wrong if it should attempt to railroad the measure through without the kind of careful study it deserves.

I want to conclude on a note of caution. I think we all realize the problems which exist for any government at this time in connection with the administration of the affairs of the people they are governing. To govern today is often to have to make a choice between a number of alternatives, usually unpalatable, difficult and sometimes even dangerous. The decision this government is making has become infinitely more dangerous, more difficult and more unpalatable because it has refused obstinately until now to do anything to curb inflation in this country in a realistic manner. Consequently, the medicine they are proposing will be far harder to swallow.

I do not like government intervention. I do not like controls. I do not like being part of a legislature, nor would I like to be part of a government, which faces the duty of having to legislate for and establish guidelines and restraints on prices and compensation in order to deal with a highly inflammable situation. It is not in my nature, not in the nature of my leader, not in the nature of my party nor, I think, in the nature of the people of this country to indulge in this kind of exercise. But we are now, and have been for some considerable time, faced with the hard choice of either allowing the inflammable situation to continue until there is an explosion or taking the route our party proposed some time ago. We have always made it plain that the lesser of the two evils was action. If the sort of action we wanted many months ago to take had been taken, these problems would not have assumed their present proportions.

It now appears that reluctantly and, so far, half-heartedly on the part of the Prime Minister, the government has swung around to the same view. I note that Mr. Geoffrey Stevens, in an article published in this morning's newspaper, suggested that the Prime Minister is taking off on a countrywide educational tour. Significantly, that information came from some official, not from the Prime Minister. Many on my side of the House and many in the country feel that the Prime Minister's heart is not really in this legislation. Here is his chance to show that that impression is not right. The government's willingness to accept proposals for improving and modifying the bill will go a long way to disposing of the impression that the Prime Minister is being pushed into enacting this measure and that his mind is not on it.

The methods the government is using are not the methods we would have used. The overcomplicated, overstructured mechanism, with the grotesque assertion of powers which the government has brought forward without safeguards and provision for parliamentary supervision, do not satisfy us; nor will they do the job. Clearly, the bill will need substantial alteration and improvement. These improvements cannot be made at the present stage. In my view, the bill ought to go to committee within a reasonable time in order that these improvements can be inserted. Then we in parliament, and the people of the country, can get on with the job.

If the government is not prepared to bring this measure into line with what is reasonable, and to accept amendments which my party will indicate ought to be part of the bill, then I say that we reserve our right to vote against the bill when it comes back at the final stage.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I was pleased to hear the last statement of the hon. member for Peace River (Mr. Baldwin), to the effect that his party reserves its right to vote against the bill. I think they may finally be on the right track with regard to price and income controls. When the white paper was first tabled in the House, a number of members of parliament were saying that a lot of questions were left unanswered and that we had to wait until we saw the bill. We now have the bill and there are even more questions left unanswered.

● (1440)

I do not think we have seen since the war and the invocation of the War Measures Act—and I have checked this with the hon. member for Winnipeg North Centre (Mr. Knowles) and others—so much power, so much authority delegated to a private board, commission or group of individuals outside the Government of Canada.

I have questioned senior people in the Department of Finance and talked to various members of the government, and I find that there are many, many questions they themselves cannot answer. What happens to contracts now being negotiated? What is a fair price? How are they really going to determine the profit of many of the commodities referred to? In many cases, they say they do not know. They say that these regulations will be left to the board, to Jean-Luc Pepin, his side-kick Beryl Plumptre and a few others to draft, with their own biases and their own interpretations. They will interpret whether the guidelines will be broken. They will interpret whether certain negotiations can continue and, indeed, whether collective bargaining can continue in this country. Those determinations will not be made in a bill we are going to be debating and voting on, but by a couple of highly paid bureaucrats. That is not the kind of thing that people in this country or people in this House want, approve of or should vote for at this time.

Some hon. Members: Hear, hear!

Mr. Nystrom: If I am wrong anywhere throughout this debate, I would like the minister to challenge me. We in this party believe that what we have seen in the white paper, the legislation before us, the comments of the Prime Minister (Mr. Trudeau) and the bureaucrats is unfair, unworkable, politically wrong and misleading. We believe it is a contravention and a contradiction of what the former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner), said in the budget last June. I could give quote after quote of what he said when he brought down that budget which was approved by this parliament. The economic direction authorized by this parliament has now been changed. We do not think that is right.

We believe the measures before us are very unfair. Basically, they are effective wage controls on working people with limitations that are very inequitable. We do not have any effective price controls. That is a matter I will deal with later. We have exemptions for many people who are collecting money from interest rates, stocks and bonds, mortgages, and so on. If we are to have a program that is going to work, I do not believe those sectors of the economy should be exempted. We believe that this is unworkable. When talking about wage and price controls of this nature, we should look back at a statement made by the Prime Minister. We should look at this week's issue of *Maclean's* regarding an interview carried out a few weeks ago with the Prime Minister.

We should also look at statements he made a few months ago to the press and the electronic media. I wish to read a quotation from a speech by the former minister of finance, a man who has had a lot of experience in the Department of Finance. He said eight months ago:

> The experience of many other countries, most particularly the United States and the United Kingdom, suggest that broad and comprehensive wage and price controls not only tend to disrupt economic growth but over time do little to curb inflation and may, in fact, even aggravate it.—It is an expanding economy that in time will enable us to grow out of inflation by providing the increase in real purchasing power Canadian families need to meet the increased cost of food and energy.

That was the former minister of finance, the hon. member for Ottawa-Carleton. Suddenly the government changed its mind. What changed in the economy to make the government change its mind so suddenly? Another point is that the economic package concentrates on inflation. It seems to ignore the slump in the economy, unemployment and the housing crisis in this country. It is also deceiving. One reason it was brought in was that the government wanted to do a good PR job across the country to convince the people it is doing something.

There are indications from around the world that the rate of inflation may drop two or three points in the next few months. That will not be as a result of anything that is happening in this country, but because of external pressures from around the world. If that does happen, the government will try to claim credit for it because of this measure being brought into the House.

Unless amendments are moved, or the minister can clarify this, it is in essence nothing but a wage control package for workers. It will fall squarely on the shoulders of the little people and pensioners. All I can say is that, as a member of this House, I will do what I can not to co-operate with the government unless major amendments are made. I urge Canadians not to co-operate with the government in this measure. It is unfair. It is unequal. It will fall squarely on the shoulders of the ordinary, little people of this country.

Let us look at the proposals step by step. Wages can be easily controlled because they are bargained for. The negotiations are open to the press and the electronic

media. The guidelines laid down by the government state that wages can increase 8 per cent this year, 6 per cent next year and 4 per cent the third year. In addition, there can be a productivity increase of 2 per cent per year. Meanwhile, professionals, corporations and companies can have unlimited increases in productivity. One clause of the bill states that fees will be controlled for lawyers, for example. However, if a lawyer expands his business and increases his productivity, his income will not be controlled. For the worker there is only a 2 per cent increase in productivity, regardless of the increase in productivity in the country.

An hon. Member: Oh, oh!

Mr. Nystrom: If the hon. member in the back row will look at the bill, he will see that certain exemptions are made in productivity for corporations and companies, but there is no limitation. Why is there no limitation there? A limitation is placed on the wage of a working person, a teacher or anyone else in this country who has to negotiate for his income.

Mr. Peters: His productivity is only 2 per cent, regardless.

Mr. Nystrom: As the hon. member for Timiskaming (Mr. Peters) says, his productivity is only 2 per cent, regardless of the productivity of that industry or the nation as a whole. Wages are easily controlled. They are negotiated out in the open. We then have the limitations on wages. The Minister of Finance (Mr. Macdonald) said the $600 figure was just taken out of the air, perhaps some other figure should be used. I suggest that having the maximum for people earning the lowest salaries in this country at $600 is very unfair, when the salaries of those earning $25,000 or more can increase by $2,400 and still be within the terms of the guidelines. If there are contracts existing where there are automatic escalation clauses, that $2,400 limit can even be exceeded. That is very unfair.

● (1450)

If the minister wants a suggestion, I would say to him that instead of using a percentage increase, which really widens the gap between the rich and the poor, he should be looking at the increase in the cost of living and at the productivity of the nation and coming out with an across-the-board dollar figure for everybody in the country, regardless of whether it is for the charwomen in this building, or the workers upstairs, or the lawyers, or the doctors or E. P. Taylor.

Perhaps, Mr. Speaker, instead of using the figures we see in the guidelines everyone should get an increase of $1,000 or $1,200 a year. Or, if you wish to be really equitable and try to narrow the gap between the rich and the poor—and I am sure this is something Liberals do not want to do—why should not the maximum for the low-income people be $2,400 a year and the maximum for high-income people $600? Of course, that would penalize the rich friends of the Minister of Finance, the Minister of Energy, Mines and Resources (Mr. Gillespie) and other people across the way. But it certainly would not penalize the old age pensioners or the people out there in small towns in Saskatchewan, or the person cooking in a restaurant in Regina. It would certainly help those people.

It would put purchasing power back into their pockets, and they would purchase goods and commodities. It would help expand the economy and increase employment in Canada, and in the long run it would also help the Minister of Finance—as the former minister of finance said a few months ago—to cure inflation in Canada.

The other thing that strikes me as being very unfair about wages is that a few weeks before this bill was brought before the House the senior civil servants in this country had been given authorization by the cabinet for very large increases in salaries. Many of these senior bureaucrats are the people who drafted the very legislation we are considering today. I think that is very unfair.

I have before me a copy of the report of the Advisory Group on Executive Compensation, a report which was, I understand, given to the cabinet in April, authorized in July, the final authorization to grant the increase being signed only a few days ago for some of these people. For example, Mr. Speaker, there is an increase in salary for deputy ministers II—this is the maximum category—from $54,000 to $60,500, an increase of $6,500. For DM III, an increase of $6,000 per year was granted, from $60,000 to $66,000. These are wage increases approved by the government only weeks before the very same bureaucrats drafted the white paper and the legislation we are now being asked to approve in the interest of little Canadians, of the workers, the pensioners and the ordinary citizens of this country.

What about the poor? What about the unorganized? Even if a benevolent corporation wanted to increase the salaries of the poorer workers in its textile factory, it could not do so if that increase were to exceed the guidelines. Any increase in salary above the guidelines would not be exempt from the profit margin a corporation is making, at least that is the understanding I have of the bill from questions I have put to senior civil servants.

What about contracts which are about to expire or are in the process of being negotiated? How does one determine if one industry is related to another industry in this country? How does one determine if there is an historical relationship? These are questions we are asking. They are the questions that no one is prepared to answer except Jean-Luc Pepin and Beryl Plumptre, and I do not think this is very fair. These things should be outlined and stipulated in the bill. We should be able to vote on these particular matters, as parliamentarians, and make specific decisions on them.

I turn now to prices. We have a proposal to control prices here, as the Prime Minister says, by controlling profits—the per unit profit or the over-all profit of the corporation which is involved. Let us consider the loopholes. What kind of loopholes are there going to be if you control prices in that way? First of all, any lawyer or any accountant worth his salary or his salt is going to figure out some way of padding the books or arranging the accounts so that corporations do not suffer the penalties being advocated in the bill for exceeding the guidelines. If that lawyer or accountant does not do so, then he should be fired. I am sure he would be fired if we were directors of such a corporation or the presidents of companies so involved.

There are many ways to do it. A corporation could claim its expenses had increased—and there are "maybes" and

"buts" for increasing expenses in the bill as well as in the white paper. A corporation could say: Well, the interactions or the sales within the corporation have gone up, or the fees have gone up, as Bell Telephone purchases some commodity from one of its subsidiaries or sells other commodities to a subsidiary. If corporations like IT and T or the Weston Company carry on transactions between companies, how do you police that? Again, I have heard no explanation of how such transactions will be policed. I am sure no mechanism can be devised which will accurately police that type of operation. Yet our questions remain unanswered. If a corporation is going to make larger profits, then perhaps rather than being penalized it will prefer to put them into retainer or expand its plant.

What about the question of foreign ownership? Canadians drive cars in this country which are made by companies which are foreign-owned. What kind of an arrangement do we have to police the fees which a Canadian subsidiary, say in Oshawa, is paying to its parent company in the United States for certain parts, commodities, licences, and so on? There are just so many possible loopholes and questions which no one has answered. The only people who will be able to answer these questions are those on the board which is to be established by this legislation.

Then, to top it off, in the bill there is a clause which says that companies may be exempt from the guidelines if they have unusual productivity gains. What is meant by unusual productivity gains? The 2 per cent imposed on working people? I am sure that is not what the government has in mind. They can also be exempt if cost development is greater than was anticipated. What cost development is not anticipated by a large corporation?

I also suggest—and I think this is a major point—that while the wages of workers will be going down by 2 per cent each year in terms of increases, from eight to six to four, the profits which will be allowed to corporations will be going up for the next two or three years. The reason is that corporate profits in Canada for the last three years have been high, and in the two years before that they were considerably lower. The profit guidelines are based on the last five-year average. So if you move into the next two years, the average is bound to increase and therefore the allowable profit of the corporations is also going to increase. The ceiling will be higher. But the ceiling for the working person is going to decline, instead of keeping up with prices in this country or the possibility of price increases.

Turning again to price increases, I would refer to the appointment of Mr. Pepin and Mrs. Beryl Plumptre as chairman and vice-chairman of the Anti-inflation Board. As the member for Regina-Lake Centre (Mr. Benjamin) said in the House yesterday, Mr. Pepin describes himself and his colleague as two distinguished fools. If that is their own description of themselves, I wonder what kind of job they will do. But let us look at it in a serious way. Who is Jean-Luc Pepin? What are his biases? What are the biases of these people who are going to be placed in a position of so much power and so much authority?

Mr. Pepin comes from the boardrooms of many corporations in this country and has experience with Power Corporation. When he was minister of industry, trade and commerce he was famous for handing out grants and concessions to large corporations across this country. If you look back on the speeches he made as minister, as well as to those made by him when he was not a minister in this House, you find time and time again a defence of the corporations and the free enterprise system, the profit-motivated system, wherein one should take a large profit to keep on expanding. Certainly it is his right to have those ideas, and I do not denounce him because of it. But why should the chairmanship of this board go to someone who has a clear bias of that nature, someone who is not concerned about the person who is unemployed, the person on welfare, one who is an old age pensioner or one who may be working for a minimum wage?

Then there is Beryl Plumptre. Here I come to the little girl from Rockcliffe who is the expert for the consumers of this country. I have watched her very closely, as has the Minister of Agriculture (Mr. Whelan) during the last couple of years. What has she found in terms of excessive prices of food which is going to help the consumer? She has had two villains, that's all. She blames the farmer for increasing his prices too rapidly at the farm gate, and she blames the marketing boards for contributing to the high price of food. But what does she say about the Safeway stores and the Loblaws stores or the Dominion stores, or the profiteering which may be done by the meat packing plants or processors or wholesalers, the transportation industry or the advertising industry? She, too, has a bias, the same bias that is held by the chairman of the board, Jean-Luc Pepin—and I say that is very unfair. Why do they not have a balance of view from people who will administer one of the most drastic laws and set of regulations that this country has seen since the second world war, with the exception of the invocation of the War Measures Act five years ago this week?

● (1500)

Another thing that weakens the bill in terms of its being fair and equitable for the consumer is that probably there will not be any real price control. The minister said today, and he is right, that there is power in the bill to force a company to notify the board before any increase in price is made. But will this power be used? The minister said he did not know to what commodities the bill would apply. Prior notification of a price increase may be required; it is not mandatory.

I suggest that if we are to have these controls the anti-inflation board must authorize any increase in prices beforehand, and that it must be a just price increase by reason of increased cost. But with this government things do not happen in this way. They say this may occur. Knowing Mrs. Plumptre and Mr. Pepin, the chances are that it will not occur. If a corporation wants to increase its prices, they are clearly biased on that side.

Let us suppose, for example, that the hon. member for Sault St. Marie (Mr. Symes) has an Aunt Fanny out in the Sault, an old age pensioner who wants to buy a can of beans for lunch. That can of beans costs her 19 cents. Then all of a sudden she finds that the price has gone up to $1. What can she do about that? I know I am exaggerating, but this is because I want to prove my point. She can notify one of the offices of Revenue Canada, or her MP, and the matter can be taken up with the board. But there is no guarantee whatever in this legislation that the board

will do anything about increase in price, which may be as much as 400 or 500 per cent. They may or may not take a look at the situation. What they are likely to do is look at the profit of the store, and if a can of beans has gone up by 80 cents in a Safeway's store in Sault Ste. Marie, eight or nine months later the board will look at the profits of Safeway or of the people running the store.

One thing the board will not do is look at the unit price of the cost of production of a can of beans. The profit it makes on a can of beans might make up for the loss sustained on a bad investment or because the store has not increased the price of some other commodity by the same rate. These situations can occur when price control legislation is based on profit control at the end of the year. The price of any commodity can skyrocket without the anti-inflation board even taking a look at it.

Mr. Symes: How would they compensate people anyway?

Mr. Nystrom: As the hon. member for Sault Ste. Marie says, even if they did take a look at the price of a can of beans, how would they compensate the consumer? Do they give old Aunt Fanny the difference between the price of a can of beans this week compared with the price last week? These are questions that remain unanswered which the government is not prepared to examine in a serious way.

Another thing about the bill that concerns me is the general feeling on the part of the government that there should be a cutback or restraint in government expenditure. I agree with all hon. members that there is government waste, that there are extensive expenditures. But when you cut back on government expenditures, Mr. Speaker, you must be very careful to cut back on programs or eliminate programs that will not hurt the ordinary people of this country. We must make sure that the federal contribution to health in Canada is not decreased but increased, so that there are uniform health services and distribution of costs in all parts of the country, regardless of the economic wealth of the province concerned.

We must also make sure that, instead of cutting back on old age pensions and unemployment insurance, these programs have adequate money so that Canadians who are out of work or retired have an adequate income on which to live. Transfer payments to the poorer provinces must be adequate so that their programs keep stride with those of the wealthier provinces such as British Columbia, Ontario and Alberta. Educational programs must not be cut back. All of these are programs regarding which the government should contemplate no restraint.

There is needless expenditure—for example, the opening of Mirabel airport, the champagne, the caviar. There was a lot of wasted money there. Talk of restraint a few days after that extravaganza cannot be taken seriously by Canadians. We can cut out waste by eliminating such organizations as Information Canada. We should eliminate the other place. I see no reason in the world why we should have a Senate. It is not elected, it is undemocratic. It is made up in many cases of barons from the corporate boardrooms who lobby the various government departments and officials on behalf of their corporations, and who are living on a large guaranteed annual income that increases each and every year.

[Mr. Nystrom.]

These are steps that could be taken to eliminate waste in this country, but no action from the government is forthcoming. I suggest that instead of being concerned only with inflation, which we all realize is a big problem, the minister must at the same time be concerned with unemployment, housing, and the recession in the economy. I would also remind him of the statement made by the Governor of the Bank of Canada, and by many trade union people, that wage demands always follow large price increases.

If we are to bring down inflation levels we must first stop price increases. Our party has suggested many times that the way to do this is to have a prices control board to which companies must apply before any price increase can be authorized. There should be selective controls over basic commodities which are produced in Canada. We control oil prices, but this control should be extended to commodities like iron, lead, zinc, and others that we produce.

I also suggest that we should have controls on interest rates and on the financial community. If we do not control interest rates and the financial community, how in the world can we be serious about controlling inflation? We should be bringing down mortgage rates and pouring hundreds of millions more dollars into housing in all parts of Canada. This would not only expand the economy but would tend to bring down the price of housing because of increased supply. These are steps that should be taken. No reference to them is made in the bill, or in the white paper, or in the speech that the Prime Minister made on television last Monday evening.

Government must also concern itself about the high rate of unemployment in Canada. The rate is now 7.2 per cent. Having regard to the statements made by the former minister of finance and by the Prime Minister a few months ago, one of the consequences of this particular program might be an increase in the unemployment rate. If we are going to lessen and limit the spending power of ordinary citizens, the little people, then naturally they will be unable to purchase as much as they did previously, and this could lead to an increase in unemployment.

These are matters that concern me, as a member of the House, about this anti-inflation package that is before us today. I want to tell the government that I believe that Canadians are skeptical about it. I believe that many politicians have over-emphasized or misjudged what we think is a cry for comprehensive price and wage controls in Canada. A few days ago the CBC released the results of a poll which showed that only 38.4 per cent of the Canadian public really favour price and wage controls at the present time, and I suspect that that is true.

● (1510)

In conclusion, unless major changes are made in the bill that will increase its equity and fairness in respect of low income people, unless amendments are moved and accepted, and unless many of the questions that have been raised by members of our party and the Conservative party are answered within the next few days, then the best advice the Canadian people can take is that they should not co-operate with this effort because it is going to be unfair and unworkable, and will penalize them and put the full burden squarely on the shoulders of the working people.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I do not think this anti-inflation legislation now being considered will be of any use in solving the problem of inflation since first this is a legislation which was tried out elsewhere without success; second, this legislation will create problems for everyone, businessmen, employers and employees. The Anti-Inflation Board as well as the administrator appointed to implement the proposed measures as well as the appeal tribunal will have lots to do to ensure the observation of the requirements contained in the white paper tabled in this House on October 14 last and the legislation now being considered. Through this legislation and the methods of implementation proposed therein the government will have the right of life and death over any Canadian corporation or business. It will have the same power vis-à-vis any group of employees united under a labour union because the great inquisitor will put his nose in all private business in Canada. We saw a similar system, Mr. Speaker, in Stalin's Russia and Mao's China. We are now preparing to impose upon the Canadian people a dictatorship that some people have the gull to call voluntary but that, in fact, is mandatory.

I was pleasantly surprised to see that despite the election campaign that the Tory party made in 1974 calling forcefully for a wage and price freeze, that party fears overcontrol by the government or administrators in the implementation of that legislation.

I was also surprised to see that the Canadian socialist party, the New Democratic Party itself admits to be apprehensive as concerns that clearly leftist legislation.

Yet, Mr. Speaker, if we really wish not only to control but reduce prices durably let us turn aside from the beaten track, let us seek for other alternatives.

This government has been in power since 1963 and had every opportunity to fight inflation, but through its action, through all kinds of measures in all departments, advised by the most famous economists, it got into the situation where it is now. It put our country on the verge of bankruptcy and each time we asked the government, last year, two years ago or even before, to take action to stop the spiral of inflation, the government always answered that it was the same situation in Europe, in the United States or in Japan.

Yet, today, it decides to do something and resorts to the same measures that were implemented in England and in the United States without any results or at least not the results anticipated.

There is no use, Mr. Speaker, to discuss at length about inflation, its causes and its effects but yet, on page 695 of the Encyclopedia Britannica it says:

> The value of money reflects the value of goods and services that you can obtain for your money when you decide to exchange it. The value does not depend directly on the substance of money nor on the will of governments.

When we talk about price increases it means the loss of value of the dollar. This is what we also call inflation. Inflation is legal theft and fraud. The reduction of the dollar value means that the pay cheque buys fewer and fewer products. Savings, in spite of higher interest rates, allow to buy fewer and fewer products today than it would have been possible some time ago.

Labour unions, seeing the loss of value of their money, put pressure upon industry to obtain higher wages, not only because of the lower actual value of their salaries but also because of the expected decrease in their purchasing power. Hence the escalation of claims for higher salaries. But higher salaries are inexorably reflected in costs and also possibly in prices.

Only one remedy is open to political parties and officials of the finance department. They curb the amount of cash available by restricting bank loans, cutting down government expenses and limiting or preventing salary increases.

That is called a deflationist policy.

But such a policy leads to industrial stagnation, rising unemployment and hectic industrial relationships. The years between the two world wars are a classic example of that situation, when deflation was successful in cutting down prices, but caused millions to go unemployed and thousands bankrupt and resulted in general strikes and the destruction of real and concrete riches. Factories and shipbuilding yards were dismantled and sold for scrap, fields lay fallow and goods needed by consumers were dumped into the sea.

● (1520)

We must find a new course of action. During the past 100 years we have experienced booms and crises with increasing frequency mainly because of fluctuations in the value of currencies. Issuing more money would mean lowering the value of currencies, in other words inflation, whereas a reduction of the amount of cash available means an increase in the value of currencies, that is deflation. But what we need is equation, equality, an amount of cash which would match the amount of prices exactly.

There is no need to explain here how banks generate credit. It can be read in the pamphlet *Only Banks Create Money*, in the MacMillan report, where banking mechanisms are explained, or in the report entitled *Comment les banques créent l'argent*, which was published in the February 1971 issue of *Regards*. The justification of banks for claiming that exclusive right comes from the fact that long ago, banks kept gold reserves which depositors could claim at any time.

That theory collapsed at the beginning of World War I, when the banks, unable to meet their commitments, had to ask the government to print paper money to save them from bankruptcy. Today, gold plays absolutely no role in our domestic monetary system. Therefore, the banks are not justified today to claim exclusive monopoly on credit formation.

The real basis for the overall money supply is the goods and services that may be bought for money, and the banks do not own that basis. The monopoly on credit formation must be broken, because it has no more justification and because bank credit, to all practical purposes, is supplied exclusively to agents in the economy. The production of goods and services is scattered among a multitude of people. Our industrial system rests on work already done by a number of generations. We, as inheritors of that

complex system of production, can view it as our real credit.

Unfortunately, we cannot produce at full capacity because of the credit formation monopoly held by the banks. The real credit must be "monetized", so the people can reap now the benefits of their inheritance. It must achieve the growth needed to produce the maximum amount of goods and services required.

The instrument capable of monetizing our real credit is the people's bank, that is, the Bank of Canada.

Money worth reflects the amount of goods and services that can be obtained in exchange for it. To restore its worth, we must increase the amount of goods and services to be obtained for each monetary unit. To be fair, we must at this stage establish a system that we call social credit, the compensated discount system or national discount. Its implementation requires:

(1) That the government first require all retailers of consumer goods, including publicly owned corporations supplying retail goods to the public, to register with the retailer registry agency.

(2) To register, the main condition for retailers would be to commit themselves to limiting their profits, say to 15 per cent of their business turnover, whatever the capital invested.

(3) All registered retailers would have to make up bills, at least in duplicate, for any sales over $1.

(4) The total shown on the bill would be submitted to a discount, say of 20 per cent, which would be clearly indicated on the bill.

(5) A copy of these bills would be given to the retailer's bank which would credit him with an amount equal to the discount given and shown on the bills.

(6) The banks would be periodically reimbursed by the Bank of Canada which would issue the credits required. I should add here that this would create new credits which would not come from taxes. It is important to emphasize this, Mr. Speaker.

It will have been noted, Mr. Speaker, that this way to fight against inflation is the opposite of what has been described and what we have seen in the white paper given on Monday night on television by the Prime Minister (Mr. Trudeau) and tabled in the House on the next day, Tuesday, October 14. Of course, the figures that I have quoted are only illustrations. The discount rate could be reviewed every three or six months and a new discount could be announced for the following period. In several provinces, sales taxes are administered as the national discount would be. Instead of adding a tax on the bill, we would rather grant a discount. The commercial banks would be refunded for the work burdening them. What would be the outcome?

With a discount of say 20 per cent, each $1 item would cost only 80 cents, which would increase the value of money. More retail sales would be felt by wholesalers and subsequently by manufacturers.

The latter would be led to boost their production, expand their plants and hire more workers. The national discount would add to the purchasing power of consumers without inflating wages and consequently prices.

[Mr. Laprise.]

Except at the level of the retailer where the discount would be applied, nothing would be altered in the present system and thus no confusion would be created in the production system.

Even if the registration of retailers would remain voluntary, a real penalty could be imposed on those who refuse to take part in the program because of their prices higher than the registered prices, they would have more difficulty to support competition.

Some penalties for fraud or offences could be imposed, such as suspension from the list of registered businesses. Monopolies as well as nationalized retail sale enterprises will have to be incorporated into this plan.

Credits created in the name of the people by the Bank of Canada will constitute only bookkeeping entries. There will no longer be any need to print more bank notes than at present, the only difference will be in increased value of each monetary unit, which will permit the purchase of more goods.

We, the public, would stand to gain a higher purchasing power, retailers would also profit through increased sales while wholesalers and manufacturers would see their volume of orders grow. The whole country would benefit from an adjusted currency that would maintain a stable value and a constant purchasing power.

Strikes started to get nominal wage increases would be less defensible than today. Men and women engaged in production would soon realize that by improving their output and eliminating waste, they would be allowed greater discounts. Employers and employees would work with the same end in view.

Savings would retain their value and money saved for future purchases would buy goods and services of the same value. Credit sales with their high interest rates would gradually disappear. Sales taxes would finally be abolished.

As I said the figures given are only examples. The allowed profit and the discount rate could be higher. It would be up to the government to decide whether any such imported finished product could be subject to the discount. The problem of dumping from countries where wages are lower could be solved in this way.

● (1530)

Mr. Speaker, with a prosperous industry, an export trade profitable to our plants could operate at full capacity. That is a program which is completely in opposition with what the government is offering us. The government has been falling back in the same ditch for a number of decades. We always end up with the same results. That is why, as members of the Social Credit Party, we urge the government to take other steps, to try something new. The action it is taking now has already failed elsewhere.

Then, why not try a different approach, a different way to operate? Why try to aggravate everybody with all sorts of controls? The compensated or national discount plan I talked about a while ago would not require any supervision. People would understand and accept it. But the so-called "voluntary" restraint program which the government is trying to impose will necessitate the hiring of an army of additional bureaucrats to visit the 1,500 corpora-

tions concerned, to go wherever people are employed, and to search through books of workers' unions to see if they are not trying to hide something or cheat.

Mr. Speaker, this program is already enticing businessmen and labour unions to cheat the government. That is what we do not want to happen. That is what the government should seek to avoid. So, instead of imposing on Canadians a control policy, a socialist policy, let us apply a policy worthy of the democratic government label, a free enterprise policy, allowing every one to develop according to his free will and to achieve his desires, and thus we will permit the production of useful goods, products desired by the population, and let us at the same time provide the population with enough purchasing power to get the goods producers can supply, the goods the population needs. That is the program I recommend to the government as we have before us this legislation which will be sent to the committee for study and will come back before the House. We will try to get that program adopted.

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, when the Prime Minister publicly announced last Monday night the measures proposed by his government to fight inflation, I was glad to see that Bill C-73 would be sharp-edged and that the review board would have real power.

There is no doubt that during the last months considerable public pressure among Canadians demanded firm and, I dare say, authoritative action to oppose what it is now common practice to call a collective psychosis created by the present and future galloping inflation.

Many thought and feared that once more the anti-inflation plan would at best be a persuasive measure. Unfortunately, past experience has shown that mere incitement to moderation was not sufficient and that in times of anticipated crisis each of the powerful groups of our society tries to protect itself as well as possible by catching up with the purchasing power of the dollar that has been lost and by protecting this purchasing power for the future in case the economic situation would deteriorate even further. That is what is meant by the collective psychosis of inflation and everybody has understood its psychological causes and felt its economic effects, the unions, the large companies, the professionals and the civil servants.

So, last spring's stimulants having proved inefficient, new solutions had to be found and formulated to exercise greater, closer control over the laws of the market. Fortunately for us Canadians, we have been able to gain some insight from the experience acquired in that field by our neighbour to the south. Through a series of controls, the latter managed, from 1971 to 1973, to lower by several points its rate of inflation. But at what cost! An acute economic recession, chronically high unemployment, social unrest, state bankruptcies and black market activities.

Conclusions had to be drawn and efforts made to avoid the errors and pitfalls from which those evils stemmed. The result of that cogitation is Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada. What is it, essentially? First of all, two economic techniques intended to use present mechanisms to better guide the market have been used, namely fiscal and monetary policies aimed at increasing total demand and production at a pace compatible with lessening inflation and, secondly, structural policies aimed at dealing with the particular problems of energy, food and housing, to make the economy more dynamic and more competitive and to improve labour relations.

Another mechanism has been advocated by the government in these anti-inflation measures; although not new since it was already featured in last June budget, it is nonetheless a serious indication of the new trend toward restraining government expenses. I refer to a policy of public outlays geared to stifle the growth in expenditures as well as the pace of growth in employment in the public service.

But the item which is really new—and it is the one we should examine in the debate on Bill C-73—is the new price and income policy, which reads as follows, on page 3 of the white paper:

establishes guidelines for responsible social behaviour in determining prices and incomes of groups, together with machinery for administering these guidelines and ensuring compliance where necessary.

I will not dwell in detail on the whole Bill C-73, which is of an incredible complexity and the importance of which—as indicated by the hon. member for Peace River (Mr. Baldwin)—is minimized by nobody. I will not discuss in particular the price control issue, leaving to somebody else the task of bringing out its main characteristics, its advantages and disadvantages, its eventual means to face it and the legal procedures applicable. Let us simply say that the control board will have a big responsibility to bring certain industry majors under discipline and that it should not hesitate to enforce to the letter the penal provisions now that we have, for once, legislation with teeth in it.

I would rather speak at some length on the second facet of this act, namely the guidelines on incomes. First of all, it is important to emphasize that these guidelines are flexible and allow the newly set-up Anti-Inflation Board a lot of room for interpretation and discretionary power. By the way, I would like to take this opportunity to greet its president, Hon. Jean-Luc Pepin, and its vice-president, Mrs. Plumptre, to whom I wish good luck and good cheers.

The guidelines regarding wages and salaries and other types of remuneration consist of four elements: (1) The basic protection factor. (2) A share in increased national productivity. (3) The improvement of past salary policies; and (4) the minimum and maximum increments in dollars.

I shall briefly deal with the third point and in more detail with the fourth, which makes up the core of my argument. I contend it is very important that this new policy provide for a so-called "catching-up" factor.

● (1540)

Indeed, the aggravation of some unbalances has been the first consequence of inflation and the tendency in the last few months to provide for considerable increases in collective agreements, and I have in mind those of policemen and MUCTC drivers or even mailmen. It would have been socially unacceptable not to provide this stabilization factor particularly in the case of different bargaining units within the same company or service, when collective agreements unfortunately, do not expire at the same time and one unit obtained what others, on account of a date arbitrarily set, cannot get.

Having said that, I shall take a look at the aspect of wages proper and especially the imposition of minimum and maximum increases of $600 and $2,400 respectively.

Let us start with the easiest part, which is paradoxically the ceilling of $2,400. At first sight, the figure would seem to be reasonable, in the circumstances, particularly in the light of the table on page 25 of the white paper, and giving the permissible increase for each income level and past wage practices. I would even go as far as saying that after analysis and despite the inevitable arbitrary nature of the figure very few wage earners directly affected by that ceiling will want to complain. And that is where you find a hitch. They will not complain because most often they will know how to go around it. And they will not be short of means.

First there will be a brilliant junior executive of an agressive business in full expansion who will be promoted by an elegant lateral arabesque to a practically equivalent position but with a big title that will allow him to go around the 12 per cent annual increase. There will be senior executives who, as usual, will find tax artifices to put to even better use an expense account that is yet already well built up. There will be those dear professionals—of which I am, God forgive me—who will be the least affected of all because in most cases try and check the number of hours a lawyer spent writing a factum, an architect spent on his drawing board, a physician—and that is calculated in minutes—spent with each patient, and so on. In any case, the official rates set out by professional corporations are generally flexible enough to allow nice and clean twists.

And they also have an expense account, I had forgotten. But let us be serious; I think it is utopia to think that any form of control can be applied effectively to professionals, and basically that is not more important than necessary I think as they only represent a relatively insignificant percentage of the inflationary factor.

So, to control properly the effectiveness of that ceiling of $2,400 tight steps will have to be considered for employers, for example by monitoring the wage package and making sure that the average overall increase for employees does not exceed the standards, and by urging the employees themselves to submit to the law in good faith, for example, by taking penal steps against them. Clause 44(1)(d) could be used for that.

So let us take for granted that the upper ceiling of $2,400 is realistic and enforceable. There remains to see what is happening in the less privileged classes of workers. For them the ceiling is $600, in the sense that authorized increase percentages apply only above $600; $600 mean a 10 per cent increase for a worker with a yearly $6,000 income. Below that figure, the percentage increases accordingly. It should first be fully realized that a worker at that level has very little freedom of action. His scope of initiative is limited and he probably can expect no promotion. He is taxed at source and can therefore find no fiscal loophole to better his position. For him, the ceiling is a reality. Here again, discretion has its part to play. There had to be a ceiling somewhere, and it was decided that it would be $600.

Allow me to quote some statistics which will substantiate my argument. The average salary of a Canadian worker is close to $9,000. According to Statistics Canada, the poverty line for a family of four amounted to $5,295 in 1973, which means, with an 18 per cent factor of inflation, approximately $6,295 at the end of 1975.

Now, the poverty line as determined in the Senate report on poverty, the Croll report, was at $6,990 in 1973; which would mean, with the same 18 per cent factor, approximately $8,000 in 1975. I will not elaborate on the reasons which lead me to pick up the index of the Senate report on poverty instead of the Statistics Canada index. Let me just explain the reasons for the noticeable difference between the figures of Statistics Canada and those of the report on poverty.

Poverty line as defined by Statistics Canada is the amount of money needed by a family which has to spend 70 per cent or more of its total income on current necessities: food, housing and clothing. Poverty line in the Senate report is set at 50 per cent of the average family income in Canada, considering inflation and gross national product. The difference between both approaches is quite important and explains the gap between figures. A simple logical operation would in my opinion provide a more liberal, if still arbitrary, way of assessing the minimum amount below which there are no percentages. Because 10 per cent being the recommended increase percentage, if we use the $8,000 figure referred to in the poverty report, we get an $800 amount of annual increase.

This is once more an arbitrary way. But if we increase by $200 the minimum amount, we would help small wage earners to close the revenue gap between haves and have nots. This is a desirable objective. And although controls of any kind inevitably entail inequities, we must minimize this legislation's impact on that segment of our population that is least capable of defending itself and the first to suffer, at least on a short term basis.

I will have an opportunity to explain my views more fully when the bill is referred to committee. But I feel it is my duty to indicate to the government, through the Minister of Finance (Mr. Macdonald), that they should seriously consider increasing from $600 to $800 the threshold for the application of controls.

To conclude, I thank the Minister of Finance for the anti-inflationary measures he introduced today. He himself said they would hurt, but in these troubled times of very unsettled world economies, they were required. I therefore urge all Canadians to accept the scheme for what it is, an invitation to restraint and an articulated effort to put the Canadian economy back on its rightful orbit, which is balanced growth and distribution of wealth.

[*English*]

Hon. Marcel Lambert (Edmonton West): Madam Speaker, on this Friday afternoon we have before us a rather fascinating scenario. It reminds me of the man who watched his barn smoking for an hour, and when the roof was falling in he suddenly decided to call the firemen. In the interval he had been hosing down his house in order to protect it and not the barn.

For seven years the government has been conscious of inflation. In July, 1969, when there was not quite the same need for a dramatic gesture, I was in Sydney on Cape Breton Island and saw the self-same right hon. gentleman,

the Prime Minister (Mr. Trudeau), on television speaking to Canadians on inflation. There was inflation about in the country. We had inflation in 1968, and there are some here who might remember the steps that the government had to take—there had been a dollar crisis and there had been an election in 1968. There have been elections in 1962, 1963, 1965, 1968, 1972, and 1974, and I might say to the hon. Minister of State for Fisheries (Mr. LeBlanc) that I participated in every one of them.

Miss Campbell: They were blessed!

Mr. Lambert (Edmonton West): I can go back to 1957, if hon. members opposite want me to, but the point is that in 1968 there was very serious inflation, and in 1969 there was very serious inflation. I might say to members of the Standing Committee on Finance, Trade and Economic Affairs of today that at that time there was a special committee on banking and finance which sat for months considering the problem of inflation. It was under the chairmanship, I believe, of the hon. member for Windsor West (Mr. Gray), the former minister of consumer and corporate affairs and, if I may say so, since I was a member of the committee, it brought in a very able report on the problems of inflation which gave the government an idea what it should do to deal with inflation at that time.

What happened to the 1969 program? There was to be a limitation on the public service, with certain departments exempted. One of them was the precursor to the Department of Regional Economic Expansion. It was the "Marchand Expansion Bureau". That was not to be limited. There were a couple of other such departments as well. You know, the expansion of those departments more than outweighed reductions elsewhere. So on that score the government's program of restrictions went down the drain. I recall the same right hon. gentleman, who had said in 1969 that inflation was so serious, saying in 1971 that we had licked inflation. Oh, yes, inflation was beaten, mastered.

● (1550)

Then the government had the misguided sense to introduce a new income tax act. Ah, with that gesture they negated the principal recommendation of the finance committee of 1969 about increasing productivity because that income tax act, with its steeply progressive rates of personal income tax, has stunted and blunted the elements of productivity in this country. We have seen, ever since, a steady decline in average productivity. Any economist will tell you that as productivity declines, unit costs go up and we have the strongest push toward inflation. That income tax act has been one of the elements leading to inflation.

Secondly, in the act there is a built-in incentive to inflation. As hon. members and all others in this country were taxed more and more, so those with economic crunch sought more and more. The more they got, the more yield there was by way of tax. But this government's answer was not to deal with the root cause. As I said a little while ago, it put the fire hose on the hose itself alongside the burning barn. It did not want the firemen to put out the fire; it wanted them to hose down the house beside the barn. We have seen a fantastic increase in moneys transferred from one source in Canada to others—in other words, a redistribution of personal income. We have seen increases in UIC benefits, in old age pensions, in war pensions, in—you name it—welfare—

An hon. Member: Do you call veterans' pensions welfare?

Mr. Lambert (Edmonton West): Madam Speaker, if the deputy whip had recovered from his appointment and kept his ears open he would have heard me say that these payments are all in the category of transfer payments to persons. Of course the government had plenty of funds, because of the yield of the personal income tax, to transfer to these groups, groups which were very much affected by inflation. They were the ones that had not, shall we say, power to increase their own revenues. The protection was there for them. But the whole process was feeding on itself in a vicious circle.

As the government obtained more money through taxes, the people with economic power wound up getting more and more on each cycle of wage settlements. We have seen the percentages go up and up. Cast your minds back to about 1968 and consider the changes in wage settlements that have taken place and how the percentages have increased. We can see how inflation has eaten like a cancer into the Canadian economic body. It has grown and fed on itself. Of course now at the third or fourth cycle even this government, with its myopia, has suddenly discovered that inflation has reached such a stage that it has asked the people of Canada to accept, as the hon. member for Peace River (Mr. Baldwin), the Minister of Finance (Mr. Macdonald (Rosedale)), and the Prime Minister said, one of the most serious steps that the Government of Canada has had to take in 30 years.

But why has the situation changed to the extent that the government wants to take this action, wants to eat its own words, reverse entirely its stand of 1974, reverse the stand the former minister of finance took in February, and reverse the stand of his budget of June 23? Why has this happened? I will try to offer an explanation. It is not that the government has suddenly become conscious of the perils of inflation and become concerned. What has happened since June to cause it to be more severe? We have seen much higher individual monthly increases in the CPI, since the budget, than the latest increase. Oh, yes, the unemployment figures have varied somewhat; there have been minor adjustments, plus and minus, owing to seasonal changes. But what jolted the Ministry of Finance and the Prime Minister into the sudden consciousness of the economic plight of Canada? There are two theories.

The first theory is that the Prime Minister wanted to divert the attention of the country from the effects of the resignation of the former minister of finance. That is one theory. He wanted to do something dramatic. Certainly, the hon. member for Ottawa-Carleton (Mr. Turner) has almost sunk into obscurity, because the media and the mind of the public are suddenly seized with the idea of economic controls. That is all they are talking about. You know, this is a standard ploy of the right hon. gentleman. If a real problem faces him, a situation is created on the side and attention is diverted to it.

There is a further theory regarding the reason which would lead the Prime Minister to adopt this idea. Ever

since the last election the right hon. gentleman has been constantly criticized for not providing the necessary leadership. Editorial after editorial, commentator after commentator, both in the written and spoken media, castigated the Prime Minister and his administration for lacking guts, lacking leadership, and for failing to take action. Well, the right hon. gentleman is very conscious of his political image; so, what did he do? Even at the price of swallowing himself, he decided, suddenly, to try to show leadership by saying, "All right, we are going to impose price and wage controls." He appeared on television posing as the valiant knight—yes, Madam Speaker—as the valiant knight defending the Canadian economy. May I call it four o'clock?

The Acting Speaker (Mrs. Morin): Order, please. It being four o'clock, this House will now proceed to consider private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills. Is it agreed that order No. 8 under public bills shall stand?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): With the consent of the House, shall all orders under this item stand until we reach No. 51?

Mr. Blais: Madam Speaker, I believe there is agreement to consider item No. 51.

Some hon. Members: Agreed.

● (1600)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

DEPARTMENT OF THE ENVIRONMENT ACT (FISHERIES)

SUGGESTED TITLE OF DEPUTY MINISTER

Mr. James A. McGrath (St. John's East) moved that Bill C-251, to amend the Department of the Environment Act (fisheries) be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Madam Speaker, the purpose of this bill would to a certain extent offset some of the serious harm that was done to the fishing industry as a result of the government re-organization bill of 1971 whereby the Department of Fisheries, as it was then known, ceased to exist. It was merged into a new Department of the Environment. I say serious damage because the Department of Fisheries was dis-established at a time when the industry in Canada was beginning to face very serious problems, the most serious in the history of this ancient industry. I say they would offset the damage that move caused to a certain extent, because the purpose of the bill is to create a deputy minister of fisheries. There is no such person in the organization of the Government of Canada at the present time.

I might say that as a result of my amendment to the Government Organization Act of 1971, there is now a Minister of Fisheries. According to the law, the Minister of the Environment (Mrs. Sauvé) is also the Minister of Fisheries. Of course we now also have a Minister of State (Fisheries) (Mr. LeBlanc). This gives me an opportunity to digress for a moment to congratulate the hon. member for Gander-Twillingate (Mr. Baker) who has just been elevated to the post of parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. McGrath: This debate will give him an opportunity to make his debut as the Parliamentary Secretary to the Minister of the Environment, the Minister of Fisheries, and the Minister of State (Fisheries). He indeed has three ministries to which he is assigned.

I also wanted to make some very complimentary comments about the Minister of State (Fisheries) who was in the House until a short time ago. However, since he elected not to dignify this debate with his presence, I will withhold the comments I intended to make about the minister and his role in the recent ICNAF conference in Montreal.

Also may I take this opportunity to extend my congratulations to my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), who has been elected by our caucus to be our official spokesman on fisheries.

Some hon. Members: Hear, hear!

Mr. McGrath: I offer my congratulations as well to his predecessor, the former member for St. John's West, who is now the minister of fisheries in the government of Newfoundland.

This is a very important bill because it would create within the Department of the Environment a deputy minister of fisheries. In other words, the public servant within the Department of the Environment who now presides over that division known as Fisheries Service would be elevated to the rank of deputy minister. That would have certain obvious advantages, not the least of which would be to re-emphasize, underline, and restate the importance of fisheries in the over-all budgetary considerations of the Department of the Environment.

It is fair to say that the major weakness of the present setup that we now have for the organization of the government whereby we have a Minister of State (Fisheries) is that the minister is virtually powerless because he does not preside over or control the budget of the Department of the Environment. The Minister of State (Fisheries) is dedicated to his job. However, let him explain to the House and the country why among the first items to be eliminated from the budget of the Government of Canada as a result of the budget brought down last June was the vote of $10 million for small craft harbours. That $10 million was about a third of what we had for the current fiscal year to spend on wharves, breakwaters, and facilities for our fishermen. That was eliminated much to the surprise, chagrin, and consternation of all members, certainly those who represent constituencies in the Atlantic provinces, British Columbia and indeed the fresh water fishing areas of this country.

The appointment of a Minister of State (Fisheries) and the elimination of the small craft budget for fisheries is contrary to the expressed wish of the Liberal Party of Canada. A resolution was passed by the 1973 Liberal

convention in Ottawa. I would like to hear the new parliamentary secretary address himself to this, but he must be careful that he is not swallowed by it. The resolution was as follows:

That in view of the increasing importance of the fisheries to the people of Canada, particularly to the people of the coastal provinces, that there be re-established immediately a department to take charge of this area to be known as the Department of Fisheries and Marine Resources.

That is an exact quotation of the resolution passed at the 1973 Liberal party convention. I suspect the parliamentary secretary was not at that convention. However, he certainly attended the meeting of the Atlantic provinces' Liberal candidates in Halifax during the 1974 federal election campaign. They passed a similar resolution calling for a separate Department of Fisheries, claiming that the 1972 government re-organization bill had submerged the department and created the Department of the Environment.

Following the meeting of Atlantic provinces' Liberal candidates, the Prime Minister (Mr. Trudeau) was quoted by the press as saying he supported that resolution. He made a solemn pledge to the people of the Atlantic provinces that he would in fact re-institute the Department of Fisheries. I would like the parliamentary secretary, who represents probably one of the most important fishing constituencies in Canada, to explain how he can reconcile his present role in the Liberal party with the fact that this resolution of the Liberal candidates of the Atlantic provinces has been virtually ignored by the Government of Canada.

● (1610)

The industry is going through a crisis. The very survival of the industry is at stake, as is the very survival of the economy of the Province of Newfoundland which is so heavily dependent upon the industry.

While I would be the first to congratulate the Minister of State for Fisheries and the government on their success at the ICNAF conference in Montreal in getting through that resolution which would provide for a 40 per cent reduction in the total catch of ICNAF members, as well as a corresponding increase in our own portion of the catch, I would at the same time caution the government that this is not enough. This in no way diminishes the critical need for Canada to extend its jurisdiction for the purposes of managing the control over the 200 miles economic zone as the Republic of Iceland has already done, and as the Congress of the United States has already voted to do.

I hope the minister will lead the Canadian delegation to the Law of the Sea Conference when it resumes in New York in March, and that he will carry with him the desire of the Parliament of Canada, and the desire of the people of Canada as expressed by all the premiers meeting in St. John's a few months ago, in order to preserve this vital industry, for Canada to extend its limit up to 200 miles for the purpose of conservation. Anything less than that will not succeed because we know from past experience the weakness of ICNAF.

The inherent weakness of the ICNAF treaty is, basically, the inability of member countries to live up to the commitments they have made. We have no reason to suspect that this situation will be changed in the future. We do not possess at this time the surveillance capacity to put into practice the authority we have under the ICNAF agreement to board vessels fishing off our coasts to determine whether they are living up to their quota commitment.

Canada must have the right to exclusive management. I do not mean to imply for a moment that Canada would exert its right to the exclusive harvesting of the resources. But somebody must be responsible for the management of the resource and, obviously, that somebody should be the coastal state adjoining the resource. Canada should exercise its right to management of the resource not only for ourselves, vital as the industry is for us, but for the other nations of the world, and certainly for the nations signatory to the ICNAF agreement whose vessels fish off our shores.

I know the minister will carry with him when he goes to this conference the good will of the House and of the people of Canada. I hope he will see fit to include among the Canadian delegation members of the opposition parties who could go along as observers. This would be a tangible indication to other countries at the conference that Canada stands united in this effort.

I do not intend this afternoon to outline the problems of the industry because I think they are well known to the House. I merely wish to conclude by saying that in the midst of this tremendous crisis, this life and death struggle of the industry to survive, it is a matter of considerable regret to me that we should be without the support of a separate department of fisheries in Canada. I give credit to the Minister of State for Fisheries. He is doing the best he can when one takes into consideration the handicap under which he is obliged to operate. Specifically, he does not preside over the department; he has little or no input into the management of the department's budget, and hence he is virtually powerless to discharge his responsibilities in the department toward the fishermen of Canada.

I hope the House will agree to allow this bill to be referred to the committee so that we may have a chance to call witnesses and study the impact of the proposals I have made. All the measure calls for is the creation of a position for an officer within the present Department of the Environment who would be known as the Deputy Minister of Fisheries, and whose function would obviously be to look after the operation of the fisheries and assist the Minister of State for Fisheries in this regard. I hope this bill will commend itself to the support of the House.

Some hon. Members: Hear, hear!

Mr. William Rompkey (Grand Falls-White Bay-Labrador): May I first of all thank the hon. member for St. John's East (Mr. McGrath) for raising this matter and giving us the chance to take part in this debate, one which is so important to us on the Atlantic coast and, indeed, to people all over the country because fisheries have become a national issue, and rightly so.

I should like to join the hon. member in congratulating my hon. friend from Gander-Twillingate (Mr. Baker) on his appointment as parliamentary secretary. I take it this is not only an indication of the ability of my hon. friend and the esteem in which he is held, but that it is a recognition of a particular province, that is to say, the

Province of Newfoundland and Labrador. He follows a number of members of this House, including myself, in that position, and I am sure he will live up to his responsibilities most capably.

I should also like to extend congratulations to the hon. member for Humber-St. George's St. Barbe (Mr. Marshall) on his appointment as spokesman on fisheries for the opposition. I hope this does not mean he will not speak on behalf of the veterans; I doubt very much whether he will discontinue his representations on their behalf. I might add that it is going to be interesting having two Newfoundlanders talking about fisheries across the aisle, and that we are likely to hear a lot about fisheries in the coming year.

The bill before us appears to contain two main points. One is that there should be a deputy minister, and the other is that fisheries should be given priority. With regard to the first point, I understand that in law the Deputy Minister of the Environment is, in fact, legally the Deputy Minister of Fisheries. As the hon. member knows, within the structure of the department there is a deputy minister and two senior assistant deputy ministers, one for fisheries and one for the environment.

I am sure the hon. member knows enough about organization and structure to realize it is a good idea to have one man at the top. Structurally, I do not think this arrangement can be faulted. However, I should like to make it clear that, within this departmental structure, fisheries and environment are treated as co-equals. Each has a senior assistant deputy minister at its head and, if I may say so with respect to fisheries, a very capable senior assistant deputy minister supported by a most capable staff.

As I am sure the hon. member knows, many of the staff both in Ottawa and in the regions do in fact come from Newfoundland, and the people of Newfoundland have no cause to feel that their interests are not being served by the people who work in the public service in the fisheries branch of the Department of the Environment and Fisheries. I could name names but I shall not do so in the House this afternoon.

I would simply point out, for example, that the chairman of the Canadian Saltfish Corporation, an organization created by the Government of Canada, a Liberal government, and one which has been a Godsend to the fishermen in my area, is a Newfoundlander. We also had advisers at the Law of the Sea Conference like Dr. Arthur May who has now returned to Ottawa and will be advising us on quotas and stocks—a most capable man, an outstanding Newfoundlander and an outstanding Canadian—who will be playing an active role, I am sure, when the Law of the Sea Conference reconvenes next spring.

I am merely calling attention to the fact that within the departmental structure, within the Ministry of Fisheries, there are capable people, dedicated people, who know their jobs and who are working on behalf of the people not only of western Canada but all across the nation. If the hon. member is seeking an organizational structure for fisheries, it is already there. It is separate, distinct, unique. It is working.

[Mr. Rompkey.]

One point we should consider is that Environment and Fisheries have to work very closely together. The main point is preservation of stocks. Fishery stocks live in an environment. Obviously if you are to protect the stocks that you have, you must protect the environment. There is a good and adequate, sound basic reason why environment and fisheries should work very closely together, should be intregrated in the best way possible, and I think this is happening at the present time.

● (1620)

It is also true to say that the fisheries should be given a priority. I notice in the bill the phrase that the fisheries should be given a priority. One indication of the fact that this government does give priority to the fisheries—indeed Liberal governments in the past have given priority to the fisheries—is the appointment of the present Minister of State (Fisheries) (Mr. LeBlanc). Earlier the hon. member gave credit to the minister and in fact was prepared to give praise to him for his efforts on behalf of the fisheries up to the present time, and I echo that praise. He has been a good minister and I am sure he will continue to do a good job. But the appointment of the minister must surely be more important than the appointment of the deputy minister.

There are people who say that the bureaucracy is strong and that it is growing stronger every day, but I for one would like to believe that the minister is still the important figure. He is the creator of policy and sees that that policy is carried out. I think the fact that the minister was appointed by a Liberal government on the recommendation of the same Atlantic caucus, the same meeting of Atlantic candidates to which the hon. member referred earlier, is an indication of the priority given to the fisheries.

With regard to his control over budget, if the minister was able to get $50 million from the federal treasury to subsidize price support in Canada, I think this is an indication that he has certainly the ear of cabinet and that he will not fall short when it comes to obtaining funds to carry out the particular programs that he has in mind. I can point to other programs as well where the fisheries have been given the necessary sums to do what is required to be done at any given point in time in the industry's history. The minister has shown that he can get these funds, and I believe he will continue to do so.

With regard to small craft harbours, it is true that the budget this year has been cut. But it was a Liberal government that tripled the budget for small craft harbours two years ago. The fact that the budget was cut this year shows that we cannot have restraint on the one hand and not on the other. If we are to have a policy of restraint and budget cuts where necessary, then this policy should be applied across the board.

Where does one make cuts? The answer is in areas that are capital intensive, in areas that are not labour intensive. This does not affect fishermen in small communities who want to work in the off season. This is where the minister chose to make his cuts and I think he has probably made a wise decision.

The building of wharves, breakwaters and what have you, is done more and more by equipment and machinery rather than men. But let me also tell the House what

direction the minister is heading in with regard to the building of marine facilities in small harbours. For example, this year the minister's small craft harbours branch is operating in conjunction with the Department of Manpower and Immigration and in some cases providing funds through LIP to meet the labour portion of the cost, and in this way wharves and breakwaters are being built. Even when the minister was a private member he was talking about this kind of approach whereby the building of such facilities is put in the hands of the people who will be using them later. That is a sensible approach, one that is making the building of marine facilities in small harbours more labour intensive. It is putting money into the pockets of our fishermen, at the same time giving them the required facilities. That sort of thing has been happening this year and is an approach that I personally endorse.

Another example of the way in which the government has given fisheries a priority is in the attempt to obtain a 200 mile limit. Let us not forget in all this talk of a 200 mile limit that it was a Liberal government that raised the idea in the first place. While others were talking of a 50 mile limit the Liberal government was talking about 200 miles. It was the people in the Department of Fisheries and in the fisheries branch of the Department of the Environment who drew up the mechanics of our argument, in conjunction with the external affairs department, which was presented at the Law of the Sea Conference. So let us not forget that this was a Liberal initiative.

The question is not so much whether we should have a limit; the question, of course, is how to get it. There we differ. Members on the other side of the House are saying that we should get it unilaterally, that we should go out with the gunboats and start shooting and running people down. I think events lately have shown a possible course, that what we have advocated is a wise course. We showed we meant business, in closing the east coast ports and, following that closure, in the later discussions which brought about a 40 per cent reduction in the catch. That is effective action, action, that is meaningful. It is action that people in my riding see and appreciate.

A 200 mile limit is not going to solve all our problems, and I do not think we should think that it will. I should like to list some of the problems that I became aware of as a result of recently travelling around my riding. For example, a 200 mile limit is not going to solve marketing problems, a real source of concern at the present time. There are fishermen in my riding who are throwing away herring and mackerel because they cannot get people to buy them. I do not know whether the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has found the same problem in his riding; he has the same geographic area I have, but certainly it is a problem in my constituency. I hope that he will talk to his colleague in Newfoundland and impress upon him the necessity of having a good, sound marketing organization in the province, particularly along the northeast coast, to look after fishermen in small communities who are now throwing away part of their catch.

As I say, the problem is a marketing one, and if individual businesses cannot improve their marketing policy so that the situation is taken care of, the government will have to step in and create some sort of marketing board, or extend the jurisdiction of the Salt Fish Marketing Corporation so as to include other species.

Experiments along this line have been tried. The Salt Fish Marketing Corporation this year is buying species other than salt fish, but I should like to see it focus on that portion of the province, the northeast coast of Newfoundland, and the coast of Labrador, where some sort of marketing organization is needed to dispose of those species with which the fishermen find difficulty.

A 200 mile limit is not going to solve the income support problems of the fishermen. There are fishermen in my riding this year who made as much as $400 to $600 a month as a result of the $50 million subsidy program that I alluded to earlier which the minister provided. The federal Liberal government this year for the first time put money directly into the pockets of the fishermen. Heretofore we subsidized the companies; this year we subsidized the fishermen directly. The fishermen see the value of that money, and it is a program that we should continue.

I have already talked of the small craft harbours program. A 200 mile limit is not going to solve the lack of holding facilities. The federal government now has a program that puts up 50 per cent of the cost of such facilities. Again this is sorely needed by many fishermen. A 200 mile limit will not supply marine service centres, as DREE has in many parts of the Atlantic provinces and on the west coast. Once again more of these centres are sorely needed.

I have been referring to the kind of policies that we have and that we need. Changing the structure of the department, talking about various organizations and the Department of the Environment I do not think will solve the problems of the fishermen on the east and west coasts. What these fishermen are saying is that we should get on with the job, that we should produce the policies required. Evidence that this is being done can be seen today, but the point is that changing the structures is not, to my mind, as important as the policies themselves. We have done a lot as the federal Liberal government for fisheries in Canada, but we are going to do more.

● (1630)

Some hon. Members: Hear, hear!

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Thank you, Madam Speaker.

Mr. Knowles (Winnipeg North Centre): This is a Newfoundland afternoon.

Mr. Marshall: Madam Speaker, I want to commend my colleague, the hon. member for St. John's East (Mr. McGrath), for again focusing attention on fisheries. I guess the hon. member for Gander-Twillingate (Mr. Baker) is getting a little embarrassed by the commendations that are being offered, but I too want to offer my congratulations on his appointment.

If I recall correctly what the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) mentioned about marketing, I fully agree that marketing is particularly important to Newfoundland. Is this not all the more reason for having a deputy minister directly concerned with fisheries in order that he might get into that part of the job and also do something about the income support

program which we have been awaiting for so long? Such a deputy minister could then do something about the other problems the Minister of State (Mr. LeBlanc) cannot find time for except on an over-all basis.

The Minister of State for Fisheries has been doing an excellent job since taking over this portfolio, and I suggest he deserves to have a deputy minister of that department in order to make sure that all the programs referred to by the hon. member for Grand Falls-White Bay-Labrador are being carried out. In the Department of National Health and Welfare there is a deputy minister for health and a deputy minister for welfare.

Mr. McGrath: And they are not assistant deputy ministers.

Mr. Marshall: They are not assistant deputy ministers, as my colleague reminds me. Would it not be just as important to have a deputy minister of fisheries in order to focus attention on the importance of fisheries? We should have a deputy minister with the title and everything that goes with it.

While speaking of marketing, it is difficult for me to reconcile that our catches of fish have been decreasing and our exports have been dropping with the increase in our imports. In 1973 we exported $499 million in fish from Canada and in 1974 this value dropped to $437 million. The fish marketing board has reported that we are building up fish inventories, but we still imported $120 million worth of fish last year. I suggest that we are buying our own fish back.

The foreign draggers are coming in and taking our fish back for processing and then selling it back to us. In 1973 we imported $111 million worth of fish, in 1974 this increased to $120 million, and this has taken place at a time when our exports dropped from $499 million worth to $437 million. So it is very important that the issue of marketing be attached as one of the duties of a deputy minister of fisheries.

The other serious problem I should like to refer to today relates to this massive income support program for fishermen that was promised back in 1974. On July 26, 1974, the minister of fisheries for Newfoundland wrote a letter to the then Minister of Fisheries, Mr. Jack Davis, pointing out his feelings about the income support program for fishermen that was to be established. We have heard periodically that it will be forthcoming in a few weeks, but here we are in 1975 without this program. Fishermen are giving up the fishing industry because they cannot afford to replace their gear, yet we still do not have a support program.

Let me remind those hon. members opposite who were saying during the last election campaign that, were it not for the Conservative party forcing an election, we in Canada would have an income support program for fishermen, that it is now 1975 and we still do not have such a program. I am now wondering with the proposed restraints that are to take place whether we will see an income support program for fishermen in the near future.

This is an important matter and is an element in the proposal for a unilateral 200 mile limit. Even though the hon. member for Grand Falls-White Bay-Labrador and I represent sister ridings, I am sure he knows that the stories he hears from his fishermen are different than the stories I am getting from mine.

It is worth while to point out that while Canada is moving toward negotiating a 200 mile limit, or perhaps a continental shelf limit, four countries which have been distressed, disturbed, and discouraged by the slow progress made at the international Law of the Sea Conference have already moved toward their own 200 mile limits. Those countries are Norway, Mexico, little Iceland, and recently the United States.

The hon. member for Laprairie (Mr. Watson) was with me in Washington when we discussed with a fisheries committee there a bill they proposed for submission to the House of Representatives proclaiming a unilateral 200 mile limit. If I may, I would like to quote one or two of the reasons they give in respect of this bill. They are first:

> That international negotiations have so far proved incapable of obtaining timely agreement on the protection and conservation of threatened species of fish and marine life;
>
> That there is further danger of irreversible depletion before efforts to achieve an international agreement on jurisdiction over coastal and anadromous fisheries result in an operative agreement; and
>
> That it is therefore necessary for the United States to take interim action to protect and conserve overfished stocks and to protect our domestic fishing industry.

If the United States can see fit to declare unilaterally a 200 mile limit for the reasons outlined here, surely Canada should focus the attention of all nations at the Law of the Sea Conference on the fact that we mean to take action. We can bring attention to the fact that we are not going to hurt anybody by such a declaration in respect of fisheries alone, and following that we can negotiate in respect of the other resources.

In order to give some of my other colleagues a chance to speak on this very important bill I just want to refer to one other matter, and that is the elimination of the $10 million allocated for small craft harbours. This will be of great harm to the fishermen who need those bases to take advantage of the fish stocks off our shores that are not being taken by foreign draggers. It is extremely important that the government immediately reallocate this $10 million in order to provide those bases for the fishermen so that they can at least get the fish the hon. member for Grand Falls-White Bay-Labrador says they are now throwing back.

I want to commend my colleague again for presenting this bill. I am sure the hon. member for Gander-Twillingate will be speaking on it, so I want to leave enough time for a vote in order that we might get agreement from everybody in the House.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): I appreciate being recognized, Madam Speaker, because otherwise this might have turned into an international Newfoundland day.

The hon. member for St. John's East (Mr. McGrath) has, in my opinion, today served two purposes. First, by bringing forward this bill he has proved that action has indeed been taken by the government on the issue of giving greater prominence to the role of fisheries in our country. The string of successes already attributed to the Minister of State for Fisheries (Mr. LeBlanc) is really quite impressive, and I was pleased to hear the hon. gentleman oppo-

site acknowledge at least some of these attainments. In addition, the hon. member has my gratitude for providing this opportunity for discussion of elements of fisheries which are close to the hearts of many of the people I have the honour to represent.

There is an inequity between the east and west having to do with the continental shelf. I must bring forth for consideration this natural inequity, because when one considers the extent of the continental shelf and slope there is really quite a difference in the east and west.

The continental shelf is defined as the seaward extension of land mass. Canada has a very large continental shelf on the Atlantic coast, sometimes extending far beyond 200 miles, as in the instance of Flemish Cape. However, on the Pacific coast we have only a 50 mile extension south of Vancouver Island.

In the early spring of 1974 the former minister released a map showing British Columbia's seaward extension as being a line drawn along 48 degrees, 29 minutes west which cut off part of the La Perouse bank and an area of Canada's natural extension of the land mass of approximately 500 square miles. This median line principle would be applied because of the situation on the Atlantic coast. I refer to the 1,800 square miles at Georges Bank. Therefore, the proposal for 500 square miles on the Pacific Coast is not unreasonable. In April and May of 1974 herring schools in the area of Juan de Fuca Canyon to the proposed median line were estimated to be in the neighbourhood of 300,000 tons. This is herring of Canadian origin, an anadromous species.

● (1640)

Surely when management, fish processors, the UFAWU, the trollers and native brotherhood agree on this potential food fishery, there should be a means to harvest these resources for a hungry world. There are international inequities which our fishermen must face. I offer this single example but there are many others which could be given. At present Canadians are taking a large amount of scallops from Georges Bank, but Canada has a size limit of 50 scallops per pound while the United States has a limit of 40 and is talking now of going to 30. Some Canadian companies are starting to do the same. What will Canada's catch be then? Assessment has yet to be made of ocean perch, halibut, grey cod, ling cod and herring in the 500 square miles of Pacific territory on which I address my remarks today.

The most lucrative of B.C. fisheries, again an anadromous species, is the salmon. As long as salmon at sea have no national status the salmon resources of this country are in jeopardy.

In my opinion examination of the canyon principle would prove an equity of access for fishermen east and west in this country. I have been warned, however, that adoption of the canyon principal on the coast comes into conflict with the interests of mining and oil industries. There are, we know, untapped oil resources in the area of Georges Bank, even within present boundaries. There are oil shales existing in Hecate Straits, between the mainland and the Queen Charlotte Islands in British Columbia, but in my view it is shortsighted to give away a self-sustaining food resource for a non-renewable resource for which our technology is charged with developing an alternative. I submit we can, we have in fact, developed other forms of energy, but I ask are we able to develop other forms of protein as readily?

I suggest that the canyon line approach to dividing a continental shelf between nations is not new, and is an easily recognizable line for management and conduct of fishing operations of each nation. In the ongoing negotiations of the Law of the Sea Conference, Canada has been instrumental in getting into the future convention a special regime relating to anadromous species, those species such as the salmon coming to life within our coastal state's fresh waters, then spending the greater part of their adult life migrating to the high seas, and finally returning to the waters of the state of origin to spawn and die. The problem arising out of the present legal situation is that these stocks may, in accordance with the traditional freedom of fishing the high seas, be harvested on the basis of unsound management principles and in a way likely to jeopardize the investment made by the state of origin toward keeping the spawning waters in a state so as to retain the returning species.

The position that Canada has adopted is that salmon should be caught in accordance with the exclusive management powers of the state of origin; further, that there should be a ban on high seas fishing of anadromous species.

There are countries which cannot envisage a coastal state exercising any rights beyond the 200-mile limit. This strict interpretation of the 200-mile economic zone would deprive states of origin such as Canada of any management rights over salmon stocks as they follow their migratory course in the high seas beyond the carefully defined economic zone.

To tell the truth I am really quite confused by the hot demands of members opposite for precipitous unilateralism. There is far more at stake here than a simplistic extension of our fishing zones to 200 miles from our coastline. I find it hard to believe for instance that an able and affable diplomat such as the hon. member for Esquimalt-Saanich (Mr. Munro) could accept a unilateral declaration now at the cost of control over salmon and other anadromous species in the future.

Salmon are really rather like anadromous Tories in fact; they are independent, range far and wide, and acknowledge none of their members as leader.

Mr. Knowles (Winnipeg North Centre): They do not spawn very much though.

Mrs. Campagnolo: We have a corner on that.

The intent of the bill before us today is to ensure fisheries continue as a priority. The appointment of the Minister of State for Fisheries has more then accomplished this beyond any dispute. He has a high level of accomplishment in extending markets, rehabilitating and strengthening certain sections of fishing such as the groundfish industry, embarking on massive salmon development in British Columbia, which is still proceeding in spite of economic restraints, extending reciprocal fishing privileges, providing deficiency payments where needed, revising vessel subsidy programs, encouraging

very real progress in international negotiations—which I was happy to note was acknowledged by the hon. member for St. John's East—and developing small craft harbours in the amount of $35 million this fiscal year, as well as a host of other outstanding moves of benefit to Canada's fishermen.

The serious intent of the government to maintain a constant level of civil servants at this stage of our economic fortunes should not be taken lightly. Members opposite frequently criticize added senior appointments but in this case we have a request for more. It reminds me of those who demand cuts in government spending and then say "but not in my constituency". The Department of Fisheries has a Minister of State, and the Deputy Minister of Environment and Fisheries is the Deputy Minister of Fisheries, and therefore the provisos of this bill are unnecessary given the excellent job being done by senior personnel in fisheries administration at this point in time.

I too should like to offer my congratulations to my colleagues and neighbour.

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, I understand that the hon. member for Gander-Twillingate (Mr. Baker) is anxious to make a few remarks so I will be fair with him and keep my speech short so that he may have an opportunity to participate in this debate. I should also like to tender my congratulations to him on his new appointment.

I merely want to say that in my constituency which has many concerns relating to the fishing industry there is a great deal of dissatisfaction, and I think justly so. This applies not only to Nova Scotia but all over the Atlantic region. The fishing industry is in trouble. There is no question about it.

Although the present Minister of State (Fisheries) (Mr. LeBlanc) is doing his best to remedy these troubles—and I must say he is off to a good start; his public image is excellent and he is certainly well accepted—I think it is only fair to do two things this afternoon so far as I am concerned. The first is to support the principle put forward in Bill C-251 by my colleague, the hon. member for St. John's East (Mr. McGrath), and to suggest that while I am doing so I ought to bring to the attention of the House once more some of the long-standing difficulties that plague this industry.

Everyone who has followed the fishing industry knows that it is in great difficulty. The quota system as it is being applied in the Atlantic region is ridiculous, as the hon. member for South Shore (Mr. Crouse) has pointed out so many times, when valuable species of fish are being dumped and wasted simply because the quota system is unrealistic. Everyone knows that even in the field of unemployment insurance fishermen do not get the same break as their counterparts in other industries.

The curtailment of the small craft and harbours program is just another example of the fact that the Minister of State for Fisheries does not have the clout or the influence he ought to have at a time when, as the last member said, there are great international implications involved implicitly in what the fishing industry and the Department of the Environment are trying to do. It is pretty obvious that the Department of the Environment is not working out as one would hope it should. It is a vast, sprawling department in which the fishing industry, or what used to be a separate ministry of fisheries, and what used to be a separate ministry of forestry are merged, or rather submerged.

● (1650)

There were studies and talks about applied biological principles, but they did not appear to do very much. One of the things the present Department of Fisheries needs is an influx of some people who have a modicum of practical experience in fisheries. I have been informed, and I believe it to be true, that of the hundreds of federal employees or civil servants who are involved in some way with peripheral or direct activities of the federal fisheries jurisdiction less than two dozen of them have any practical common sense, knowledge, or background based on actual experience in the fishing industry. If that is true, it is an appalling situation.

At some time when the Minister of State (Fisheries) has an opportunity, I would like to see him give us a breakdown of how many of his associates and employees or civil servants do have any hard, practical background in the fishing industry similar, for example, to that of the hon. member for South Shore (Mr. Crouse), who was a successful fishing captain in his earlier days.

I will conclude now by simply giving one example of the ridiculous state to which the fishermen in my area are reduced as a result of the present situation. In a small area called Pictou Landing in my constituency there is a yacht club called the Royal William Yacht Club, which at the present time is the only place fishermen in that area can moor their boats or use facilities which they otherwise would have had, since construction of a wharf which was scheduled to be built was curtailed because of the particular cancellation implicit in the small boats and harbours program reduction.

This is a yacht club used by people for recreational purposes. Out of a spirit of neighbourliness and a desire to help, the club turned over its facilities to fishermen simply because a badly needed wharf, one which has been demonstrably needed for many years, the original having been demolished by the department in anticipation of building another one, cannot now be built. Some people wrote to me recently stating that they were glad to help, but asked whether something could be done to give the yacht club some compensation for allowing the fishermen to use its facilities.

The previous speaker spoke about Tories being like salmon. I think salmon are referred to in many quarters as the noblest of all fish, and I would like to say to the hon. member that, on the basis of my experience so far, I should like to draw another simile by saying that the present government, and the department in many cases, have exhibited the tendencies of another marine creature, and that is the octopus. An octopus has many tentacles, a great talent for obscuring issues by issuing great clouds of what is known as ink, and can change colours when desired. I think we have seen a great deal of that recently from this government in its administration.

Some hon. Members: Hear, hear!

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Baker (Gander-Twillingate): By the time the applause subsides I will be finished. I would like to thank everyone who congratulated me on finally getting into a position of great power in the federal government. It reminds me of how fishermen look upon ministers of fisheries. The minister of fisheries and the premier of our famous province of Newfoundland rode out to Conception Bay to do some fishing. They finally got to the place where they were catching some fish, and the minister of fisheries said, "We don't know where we are, but we shall have to mark this spot somehow." The premier said, "How about putting an X on the bottom of the boat." The minister of fisheries said, "Yes, but we may not have the same boat tomorrow."

Some hon. Members: Hear, hear!

Mr. Baker (Gander-Twillingate): The House leader for the New Democratic Party will appreciate what I will be saying in the next two minutes. Who decides where government money is spent in Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, Quebec or any province but provincial governments? The kind of money I am talking about is the money which is used for industrial development and industrial incentive, and I would love to be in the position of the hon. gentleman who introduced this motion because he could simply pick up the telephone and telephone his friend who was elected with him in 1968 to this chamber, who is now the minister of fisheries in Newfoundland. If the minister of fisheries of Newfoundland says that his government does not have enough money, then the hon. member can phone another friend of his who was elected in 1968 to this House and who is now the minister of industrial development in Newfoundland. If this is not successful, he can telephone another of his friends who was also elected in 1968 to this chamber, and who is now the premier. Certainly he can get somewhere then. That is where the action is.

Some hon. Members: Oh, oh!

Mr. Baker (Gander-Twillingate): We must realize that the actual production facilities in a province receive their great incentive from within the province. Consider the government of British Columbia. I wonder why certain sections of its industry are progressive. It is because help has been obtained. B.C. does not have a budget for its department of fisheries which is less than its budget for the department of social services, as is the case in some provinces in this country. May I call it five o'clock, Madam Speaker?

An hon. Member: A minute to go.

An hon. Member: Wrong clock.

The Acting Speaker (Mrs. Morin): Judging by the clocks in front of me, we will call it five o'clock. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 20, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR EXPLANATION OF INCIDENT AT EMBASSY IN TEL AVIV—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion which arises from the low morale of the Department of External Affairs, particularly, from attempts by the Department of External Affairs to hush up an incident which occurred in the Canadian Embassy in Tel Aviv, Israel. I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Secretary of State for External Affairs give a complete statement to the House of all circumstances and details involving an incident at the Canadian Embassy at Tel Aviv, Israel, and that the statement should include particulars of the threatened walk-out of members of the embassy staff, the immediate dispatch of a senior departmental official to investigate the problem, the recall to Ottawa of the ambassador at the time, Mr. Paul Malone, and the reasons why he will shortly be reassigned as Canadian Ambassador to Helsinki.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

VETERANS AFFAIRS

SUGGESTED COMMITTEE STUDY OF TRANSFER OF HOSPITALS—MOTION UNDER S.O. 43

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I also rise under the provisions of Standing Order 43 to present a motion of pressing public necessity and importance. Concern of veterans' organizations about the transfer of hospitals to provincial and municipal responsibility, particularly in regard to hospitals not yet transferred, prompts the demand that veterans' organizations should be allowed to present their case to the government, in order that their point of view may be heard. I therefore move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the matter of transfer of DVA hospitals be referred to the Standing Committee on Veterans Affairs, to ensure that agreement is reached by veterans' organizations concerned to satisfy the interest of Canadian veterans.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

DANGER THAT FOOD ADDITIVES MAY CAUSE HEALTH PROBLEMS IN CHILDREN—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion. As every day there is more evidence to suggest that food additives, particularly artificial colours and flavours, cause health problems in children, and as the Ministers of National Health and Welfare (Mr. Lalonde) has not taken initiatives to look into this problem but seems content to wait for and then benefit from the results of American research, I move, seconded by the hon. member for Huron-Middlesex (Mr. McKinley):

That this House deplores the inaction of the minister in this area of danger to the health of Canadians.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

● (1410)

[*English*]

AGRICULTURE

APPLICATION OF PRICE GUIDELINES TO MARKETING BOARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Agriculture. On Thursday last the minister said he would try to arrange a meeting in connection with the application of the restraint program to marketing boards. Has the mountain, if you will excuse the expression, yet been able to go to Mohammed and, if so, what truth did Mohammed utter on the occasion?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, when I tried to call, the phones in his office were busy. When he tried to call me, my line was busy. Therefore, we have not yet been able to arrange that meeting.

Some hon. Members: Oh, oh!

Mr. Stanfield: Is it the minister's position that prices charged by marketing boards can be regulated and yet have prices left unregulated at the farm gate?

Mr. Whelan: Mr. Speaker, the other day I said that a well run marketing board does not have anything to fear. The prices set by a well run marketing board on behalf of farmers are within reason. This anti-inflation program is a program of reason.

Mr. Stanfield: Does the minister recall telling farm audiences during the last election campaign where my program would end up; that it would go right through the farm gate, into the kitchen and end up in the manure pile?

Some hon. Members: Hear, hear!

Mr. Stanfield: Does the minister feel that guidelines with regard to prices set by marketing boards will end up in the same place?

Mr. Whelan: Mr. Speaker, I want to be sure that the Leader of the Opposition is not mixed up about what I said. I said that his program would freeze prices at the farm gate and that everyone knew it would not stop there. It would go through the yard, through the barn and into the manure pile. It did not have anything to do with the kitchen at all.

Some hon. Members: Hear, hear!

Mr. Whelan: The Leader of the Opposition knows that his program belonged out in the barnyard. The government program is completely different. It does not put a ridiculous freeze on prices, but allows increases where there are increased costs. We are stopping the cost increases where the farmers are concerned. Their input costs will be under strict control. The farmers, therefore, will not have to ask for more money.

IMPACT OF MARKETING BOARDS ON FOOD PRICES—ALLEGED DIFFERENCE OF OPINION BETWEEN MINISTERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to get the Minister of Agriculture back into the kitchen for a minute. In view of the statement attributed to the minister in a speech he made in St. Jacob's, Ontario last Thursday to the effect that the control program will have little impact on retail food prices and in view of the concern that statement has caused throughout the country, has the minister discussed his differences of opinion with regard to the impact of marketing boards on food prices with the Prime Minister, the Minister of Finance and the chairman of the Anti-Inflation Board?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not responsible for what a CP reporter has said. If the hon. member wants to listen to the tape—and every word I spoke was taped—he can listen to it and see for himself. I said it would have an impact on food prices because they had the authority to roll them back at the retail level; the essence was there. I said it would not have much effect on farmers themselves; it would not kill the incentive of farmers to produce those commodities which are in demand in Canada.

Mr. McGrath: May I ask the minister, then, whether he can explain the statement he is purported to have made in Vancouver when he said that marketing boards would continue to set their own prices as they have in the past. Can he reconcile those words with the statement made on Friday by the Prime Minister and the Minister of Finance that marketing boards would be subject to the guidelines.

Mr. Whelan: I never said that marketing boards would not be subject to the guidelines. What I said was that any well run marketing board had nothing to fear from the guidelines.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—EFFECT ON THE POOR

Mr. Edward Broadbent (Oshawa-Whitby): A question for the Minister of Finance, Mr. Speaker. Last year the Prime Minister said with regard to the kind of controls the minister has now introduced that any advocate of such controls would be, to use his words, indulging in "political opportunism" if it were not pointed out that a number of serious social costs were involved. One of these the Prime Minister specifically cited, and I quote his words—that "income controls risk hurting the small and the poor more than they do the big and the rich". In view of this concern expressed by the Prime Minister last year, would the hon. gentleman now inform the House what specific elements in his control program are designed to benefit the poor as opposed to other sectors of the community?

Hon. Donald S. Macdonald (Minister of Finance): I would want to ascertain whether the hon. member has made a fair quotation, but I would observe that this program is directly related to the powerful in our community—the big corporations, the professions, the owners of property, particularly the owners of land, and, of course, to big labour, big unions. Any measure which prevents them from taking more out of the economy than is their just share is sure to leave more for the rest of the community, particularly for those in the lower income scale. In this sense it is a program specifically directed to the interest of those who are least in a position to protect themselves.

Mr. Broadbent: Since it is entirely possible that if the growth rate of the economy continues to be zero or negative, the groups which the minister described as being larger and more powerful could get less without the poor people getting any more, is the minister really assuming that if there is some reduction in the overall level of inflation the poor are going to benefit as a result? If this is really his argument is it not also the case that the rich will benefit even more because they have more income to spend?

Mr. Macdonald (Rosedale): It seems to me that a program which prevents the rich, and, in this case, the large and powerful in the community, from getting what all

their power could give them and preserves the position of those who are less privileged is very much in the interests of the less privileged. This program is intended to assist those who have not been in a position to seek 20 per cent, 30 per cent and 50 per cent settlements or 20 per cent, 30 per cent and 50 per cent rent increases, and in that sense it is very much in their interests.

ANTI-INFLATION PROGRAM—REASON FOR FAILURE TO INTRODUCE REDISTRIBUTIVE TAX MEASURES

Mr. Edward Broadbent (Oshawa-Whitby): If the minister really wanted to provide benefits for the group for which he is now expressing concern, why could the government not have simultaneously introduced a redistributive tax measure which would have brought specific tax benefits to the very people he is now talking about at the cost—and I acknowledge this—of increasing the tax burden on upper income individuals and corporations?

Hon. Donald S. Macdonald (Minister of Finance): As the hon. member knows, that kind of tax burden hits not only those in the upper income brackets but those in the middle income brackets as well. I would remind him that in the past year by amendments to the family allowances program, by amendments to the income tax system itself, and by changes in the provision of old age security and the guaranteed income supplement, we have specifically directed extra payment to those groups in the community which are the government's special concern.

* * *

● (1420)

[*Translation*]

THE CANADIAN ECONOMY

EFFECT OF ANTI-INFLATION PROGRAM ON NEGOTIATIONS OF PAPER-MAKERS IN DOLBEAU

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Finance.

Since the paper workers' union in Dolbeau, in my riding, have been negotiating since early in 1975 and had to go on strike, could the minister tell the House whether the legislation the government presented will bear upon their union demands and to what extent?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, without knowing the exact nature of the negotiations, I can say that the guidelines in the legislation will apply to all economic sectors in Canada; that it is quite possible that the union referred to will see its expectations reduced in that sense. In any event, when there will be a contract, it will have to be submitted to the Anti-Inflation Board.

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary question for the Minister of Finance.

In connection with a new labour contract within the new anti-inflation legislation, if there is an agreement on the maximum 8 per cent increase, will this affect the previously accepted high cost of living escalation provision?

Mr. Macdonald (Rosedale): Mr. Speaker, the guidelines of the new legislation do not affect contracts signed before October 14, 1975.

Mr. Gauthier (Roberval): Mr. Speaker, I have a last supplementary question for the Minister of Finance.

Could the minister advise the House whether fringe benefits will be included or excluded within the 8 per cent increase?

Mr. Macdonald (Rosedale): Mr. Speaker, such benefits are included within the guidelines.

* * *

[*English*]

FOREIGN INVESTMENT

EFFECT OF REFUSAL OF BID BY WHITE CONSOLIDATED TO TAKE OVER WESTINGHOUSE—GOVERNMENT ACTION TO PROTECT JOBS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. A few months ago the Foreign Investment Review Board disallowed a takeover bid by White Consolidated Industries of Cleveland, Ohio of Westinghouse Canada appliance division. Inasmuch as the Canadian takeover bid of General Steel Wares does not appear likely to succeed, and in light of press reports that the jobs of 2,300 Westinghouse Canada employees are in jeopardy, what action does the government plan to take prior to October 31, which is the expiry date of the General Steel Wares bid?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I have been apprised of this situation and have been meeting both with my officials and other departments in connection with this matter. Obviously, we are much concerned for the jobs of the more than 2,000 workers involved. We are also disturbed that this may very well represent a defiance of the intent, at least, of the foreign investment review regulations. We are continuing to meet on the subject. I hope to meet with the principals concerned over the next few days to determine what is the best course of action open to the government in the circumstances the hon. member has outlined.

Mr. Kempling: Mr. Speaker, I thank the minister for that answer and appreciate the fact that he is looking into it, but I should like to ask him this question. Inasmuch as White Consolidated Industries has purchased the rights to the Westinghouse name and is now a supplier of captive parts to Westinghouse Canada, and knowing that White Consolidated is unlikely to convey the name "Westinghouse" to a competitor nor supply the competitor with captive parts, did the Foreign Investment Review Board not foresee this eventuality bearing in mind the substantial difference between the bids by General Steel Wares and White Consolidated?

Mr. Jamieson: Mr. Speaker, I hope the hon. member will appreciate that that is a very complicated question to

try to answer in the question period. In any event, I do not have all the answers because I have not had a full briefing from the Foreign Investment Review Board on it. In so far as I understand the situation, it is a highly technical, legal one involving the ownership of the trade mark in a world-wide sense. It is this issue, along with the others the hon. member raised earlier, which are now being examined and hopefully later this week I will be able to provide him with more information.

LEGAL IMPLICATIONS OF WHITE CONSOLIDATED'S REFUSAL TO CONVEY WESTINGHOUSE NAME—DATE OF DECISION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Minister of Justice with respect to this same matter. It has been reported by the Minister of Labour that the justice department is involved in terms of looking at all the legal implications of the White refusal to convey the Westinghouse name, and that there are options being discussed. Can the minister advise whether he has in fact reached any conclusion as to the legal implications here, and can he give the House some indication of the options that are being discussed at this particular time?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I can simply advise the hon. member at this point that we are, as he has said, reviewing the matter.

Mr. Alexander: I think my colleague has brought before the House the urgency of this matter in terms of the 2,300 jobs and the GSW offer to purchase which expires on October 31. I would ask the minister then in the time he has had, is he now able to assure this House, the employees of Westinghouse and the Canadian people that there will be an answer by this government, and particularly by the minister before October 31?

Mr. Basford: Mr. Speaker, if it is appropriate for the Department of Justice to make its views known to the Minister of Labour or the public it will do so before that date.

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ADMINISTRATION OF JUSTICE

POSSIBILITY OF ESTABLISHING FEDERAL CRIME COMMISSION TO REPLACE QUEBEC PROVINCIAL COMMISSION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Justice, and I should like to congratulate the minister on his elevation to his new post. If he is not successful in the very near future in transfering legal authority to the province of Quebec to resume its very successful probe of criminal activities in that province, will he institute such an inquiry under his own jurisdiction?

Hon. Ron. Basford (Minister of Justice): Mr. Speaker, I have indicated I think outside the House, that I was considering, in the event that our constitutional challenge was successful, ways of proposing such provincial bodies on an appropriate constitutional basis, and I am considering that.

[Mr. Jamieson.]

POSSIBLE APPLICATION OF CRIMINAL CODE TO INTERCEPTION OF CONVERSATION WITH MR. KISSINGER BY MECHANICAL DEVICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to address my question to the Minister of Justice, but before doing so may I just take a moment to congratulate him on his new post. I am happy to see two former Ministers of Justice sitting beside him, so he will be able to get the necessary guidance.

Some hon. Members: Oh, oh!

Mr. Woolliams: My question has reference to a reply by the Secretary of State for External Affairs to the distinguished member for Fundy-Royal regarding the reporting of a private conversation between the Secretary of State for the United States and one of our distinguished colleagues. The Secretary of State for External Affairs promised an explanation. Has the Minister of Justice reviewed Section 178(2) of the Criminal Code dealing with a possible offence whereby a private communication has been intercepted by certain mechanical devices and such conversation reported and disclosed, contrary to the Criminal Code which calls for a penalty of no less than a maximum of two years?

Hon. Ron. Basford (Minister of Justice): Mr. Speaker, I think the best thing would be to have the investigation concluded by my colleague, the Secretary of State for External Affairs, so we have the complete picture of what happened, as best we can, and then consider, as I will, the legal consequences that flow from that.

I should like to thank the previous speaker for his kind words to me and my two colleagues who sit next to me.

Mr. Woolliams: Mr. Speaker, I had hoped that it would not take much time to conclude the investigation. The report which I read in the Washington *Post* verified that there was a report of a private conversation heard over a mechanical device. I would ask the minister, through you, Mr. Speaker, to look at the precedent set in the city of Calgary when a similar situation developed where a private conversation was reported by tape recorder and reported on the radio and in the press. Charges were laid in that regard as this was a serious offence infringing on the privacy of the individual under these particular circumstances.

Mr. Basford: Mr. Speaker, I will direct the precedent to my officials.

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OLYMPIC GAMES

REQUEST FOR ASSURANCE NO ADDITIONAL FEDERAL AID WILL BE GIVEN

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in light of the so-called anti-inflationary measures before this House, and in view of the fact there is speculation backed by some evidence that the over-all costs of the Olympics will now reach $1 billion, will the Prime Minister advise this House whether the government has received either up-dated reports on Montreal's further

financial problems or requests for additional federal aid, and at the same time will he assure this House that no further federal increases in direct or other costs will be allowed, not only in respect of security but in all other areas? Perhaps the Prime Minister would see fit to advise Mayor Drapeau to seek financial help from the city of New York?

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT ACTION TO ALLEVIATE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is for the Minister of Finance, and I would refer to page 2 of the government's policy paper on wage controls where it is noted that unless decisive action is taken unemployment will continue to increase.

● (1430)

This morning one of the government's favourite forecasters, the Toronto Dominion Bank, predicted that, as a result of the controls, growth in the economy will slow significantly and unemployment will rise. In view of the degree of unanimity among economists that unemployment is a serious problem of specific concern, does the government intend to undertake to lower unemployment?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the government accepts the fact that unemployment is an important matter for substantial concern through this winter. It recognizes in particular the difficulty from the Canadian standpoint because of the unemployment involved particularly in our export industries. My colleague, the Minister of State for Urban Affairs and Housing will be announcing a program to deal with that sector of the economy and in other sectors, particularly the export dependant sectors, we recognize there is a real difficulty.

Mr. Peters: In view of the fact that the government is now trying to shift the unemployment insurance costs from the UIC and away from itself, what specific steps does the government intend to take that will provide employment in light of the fact that restrictions are taking place in all government expenditures?

Mr. Speaker: Order, please. Despite the hon. member's repeated request for specific steps, I am sure he is well aware he is in a very general area in talking about the whole program concerning unemployment. Perhaps he could be more specific.

Mr. Peters: I would be particularly interested, Mr. Speaker, in finding out whether the government has intentions of increasing some of the make-work programs it now has in areas such as mine where unemployment is at the rate of 10 per cent. I would also be interested in knowing of whether there is an intention of increasing the amount of the winter works program, the local initiatives program, and some of those programs which are part of the stop-gap employment aid policy.

Mr. Macdonald (Rosedale): Well, Mr. Speaker, I would not be making an announcement of such a program at this time.

EFFECT OF REDUCED FEDERAL EXPENDITURES ON ATLANTIC REGION—GOVERNMENT ACTION TO ALLEVIATE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is supplementary to the first question. It concerns the likely increase of unemployment, and the particularly chronic and seasonal difficulties in areas like the Atlantic region, in view of the likelihood of there being some restrictions in federal expenditures. Will the minister be announcing a program or will he be designating the Minister of Regional Economic Expansion to be responsible for making sure that possible cut-backs in federal expenditure will not create further unemployment but rather that a specific program will be devised to deal with the difficulties in regions of economic and social disparity.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, when the colleagues of the hon. gentleman call for reduction in total expenditures we all bear in mind the difficulty this can cause in areas such as his.

Mr. Speaker: A final supplementary by the hon. member for Egmont.

Mr. MacDonald (Egmont): I am rather surprised, Mr. Speaker, that the minister did not hear the question I asked. I asked specifically whether there would be some flexibility with regard to these potential reductions in order that greater hardship is not created for substantial numbers of people in underdeveloped areas.

Mr. Macdonald (Rosedale): I might point out to the hon. gentleman that, of course, the call for reductions in expenditures would fall particularly heavily on those sectors of his area—

An hon. Member: It is not flexible.

Mr. Macdonald (Rosedale): —would fall particularly heavily on those sectors of his area. We, of course, have been concerned about maintaining the status of transfer payments to the provincial governments and to individuals and that will be continued.

Mr. Stanfield: There is no flexibility. Is that the situation?

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POST OFFICE

DISPUTE WITH UNION OF POSTAL WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS ON TECHNOLOGICAL CHANGE AND CASUAL WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Postmaster General. It arises from the continuing saga of the postal negotiations. Now that the Postmaster General has become directly involved in the negotiations, could he indicate to the House whether he has been able to focus the discussions on the key issues

of technological change and premium rates of pay for casual employees, particularly women employees especially in this international women's year? Would he tell us whether these are the matters which still remain to be settled in the negotiations.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. gentleman will be pleased to know that the matter of automation or the clause on technological change has been resolved. Our inability to come to agreement stems from the unrealistic attitude of the negotiating team which fails to understand that whether they are on strike for one day, three months or three years they will not obtain more in terms of wages than the letter carriers obtained which is $1.70 per hour over 30 months.

If they were to accept that and get on to other areas of the settlement to be negotiated, then the contract of course could be submitted to the Anti-Inflation Board for its approval. The union fortunately has three choices today—and they are meeting now. One is to accept the report of Judge Moisan. Another is to reject it or, third, submit it to the membership to find out whether in their opinion the sum of money which resulted in an 82 per cent ratification by the letter carriers is sufficient for the inside workers as well.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR NAMES OF EXCEPTIONS TO PROGRAM OTHER THAN POSTAL WORKERS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Finance. In view of the position of the government which appears to be that an exception will be made by the anti-inflation board with regard to the postal workers, can the minister state clearly whether any other exceptions will receive the endorsation of the government in advance of an appeal to the Anti-Inflation Board.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. member misunderstands. The guidelines are quite clear that the board will consider exceptional circumstances, but neither the postal workers nor any other group will be given the assurance in advance that they will be entitled to an exception.

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TRANSPORT

NEED FOR DREDGING AT LIVERPOOL, NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I am not sure whether my question should be directed to the Minister of Transport or the Minister of Public Works, but I am sure the minister responsible will deal with the problem. Dredging has not been carried on for several years at Liverpool, Nova Scotia and the harbour has deteriorated to a point where navigation is hazardous because of the shallow depth of the water. In light of the fact that the harbour is navigable only about four out of every 12 hours, or in other words at high tide, and ships are going aground in the harbour, will the minister investigate this situation in the hope that urgently required dredging for the protection of the shipping industry will be carried out.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to take note of that representation.

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GRAIN

SUGGESTION FEED GRAINS BE SUBJECT TO WHEAT BOARD QUOTA LEVELS—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct a question to the minister responsible for the Canadian Wheat Board. In view of reports that the Canadian Wheat Board advisory committee has passed a resolution to the effect that feed grains for the domestic market should be subject to the same quota levels as those in effect for grains delivered to the Canadian Wheat Board, is the government planning to initiate any steps in this respect having regard to the resolution passed by the advisory committee.

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. Indeed the rather rapid increase in quotas for grains delivered to the Canadian Wheat Board has put that question into the academic basket. However, in any case the feed grain policy really will work well only if there is open access to delivery points by farmers who wish to deliver their grain into that open market. That was clear at the beginning. We did provide for certain safeguards in case congestion occurred as a general rule, but there has been no sign of that at all as a result of the feed grain policy and therefore there is no reason for change.

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INLAND WATERS

REPORT ON USE OF OTTAWA RIVER BY PLEASURE CRAFT—GOVERNMENT POSITION ON IMPLEMENTATION

Mr. T. Lefebvre (Pontiac): Mr. Speaker, my question is directed to the hard-working Minister of Indian Affairs and Northern Development. Has the minister had an opportunity to study the very realistic report on the possibility of opening up the Ottawa River to pleasure craft navigation. Have his officials studied it, and is he ready to inform the House today or soon what stand he and his department will take on this very important development for both sides of the Ottawa River.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the hon. member indicated we have received this report. I have gone through the report. It is currently being studied by the officials of the department. We are somewhat concerned about the magnitude of some of the costs involved. However, we are looking at this seriously, particularly at some of the earlier stages, to see what can be done.

● (1440)

Mr. Lefebvre: Mr. Speaker, would the minister be willing to attend a public meeting in the upper Ottawa valley—

Some hon. Members: Hear, hear!

Mr. Lefebvre: —when he is ready to make such a statement, so that the citizens who are very interested in this project could be there personally to question him on his statement?

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—GOVERNMENT POSITION ON PROVISION IN PROGRAM FOR PRIOR NOTIFICATION OF PRICE INCREASES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. On Friday, in answer to a question concerning prior notification of price increases on some products, the minister noted that such a proposal was impractical and then went on to say that he would consider the suggestion. On the same day, Mr. Pépin announced that certain companies would be required to give prior notification of price increases. In view of that, can the minister say whether or not such prior notification will be part of the government's control package?

Hon. Donald S. Macdonald (Minister of Finance): To put the record straight on that, may I point out that I said that prior notification on all products was impractical. I also pointed out in my speech—which I commend to the hon. gentleman—that indeed Mr. Pépin proposed to require prior notification in some cases where that was a practical possibility.

Mr. Nystrom: As a follow up I should like to ask the minister whether he can tell the House for which industries or which products or commodities prior notification of price increases will be required as a necessity. If he cannot tell that to the House now, can he say when he will be notifying the public?

Mr. Macdonald (Rosedale): That is allied to the question asked by the hon. member for York-Simcoe earlier about notification and about the companies to which notification has been sent. I will be glad to advise the House and the standing committee on the full details of this as soon as I can provide the information.

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UNEMPLOYMENT INSURANCE

SUGGESTED AMENDMENT TO COVER FISHERMEN—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration who is responsible for unemployment insurance. In view of the fact that the proposed income support program for fishermen, which was to be implemented by July, 1975, is not as yet implemented, and there is a danger that it might be further delayed, has the minister taken action within his jurisdiction to change the Unemployment Insurance Act as proposed by various provinces to overcome the existing inequities to fishermen?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it was decided some time ago that policy development in these areas more properly falls within the jurisdiction of my colleague, the Minister of State for Fisheries, while the Unemployment Insurance Commission may continue to provide the delivery system and the administration of whatever policy change will be decided upon in that area.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—EFFECT OF WAGE GUIDELINES ON FEDERAL EMPLOYEES AWAITING RECLASSIFICATION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of Finance. Many employees of what was once known as the Defence Research Board, a part of the Department of National Defence, and possibly other public servants have either been denied their normal salary increments or have been prevented from bargaining because they have been waiting for months now on Treasury Board for reclassification and certification. Since the situation has been protracted inordinately as a result of Treasury Board dilatoriness, will the minister say whether the recently published guidelines will be made applicable to these employees?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I could draw the attention of the hon. member to the guidelines he might find the section in which reference is made to the transitional situation of such employees.

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ENVIRONMENTAL AFFAIRS

GARRISON DIVERSION PROJECT—POSSIBILITY OF ALTERNATIVES BEING CONSIDERED—REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of the Environment. In July the text of a note of protest from the Government of Canada to the government of the United States over the Garrison Diversion project was issued, part of which reads:

> The Government of Canada, therefore, is pleased to learn that consideration is being given to alternatives to the current Garrison Diversion unit which would not adversely affect Canada.
>
> The Government of Canada has not yet been officially informed . . .

I should like to ask the minister, since that note was issued some four months ago, if she could inform the House whether or not there are alternatives to the Garrison Diversion unit being considered, and whether or not

Canadian and United States officials have had talks on this important matter?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, we have gone very much beyond the note to the United States authorities. We are now in the process of handing to the International Joint Commission a joint reference with the U.S.A. about the Garrison Diversion unit which calls for such measures including modifications to the Garrison project.

Mr. Murta: I should like to ask the minister if she can outline briefly what the terms of reference on the Garrison Diversion project will be to the International Joint Commission and if she has any further information to add.

Mrs. Sauvé: The reference to the International Joint Commission outlines the fact that we are not satisfied that the project as conceived will not do damage to Canadian property or the Canadian environment. Therefore, we state that we feel that a new assessment of this project must take place and that modifications must be envisaged in order to ensure that the United States will really fulfil its obligations under the Boundary Waters Treaty.

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INDIAN AFFAIRS

ALLEGED REFUSAL OF REGIONAL DIRECTOR AT WINNIPEG TO MEET WITH INDIAN BROTHERHOOD—GOVERNMENT ACTION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it stems from the incident which took place in Winnipeg about a month ago in which the regional director walked out of a meeting just prior to the presentation by the vice-president of the National Indian Brotherhood. When asked by the press why he was leaving, he said he had heard it all before. Would the minister indicate to the House whether he has reprimanded the department or whether he concurs with the action, or what the future performance of the department will be with reference to such a meeting?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not reprimanded the departmental officials. It seems to me that there are more logical and sensible ways to try to deal with these matters than barging into meetings. That is the reason we have established the joint committee of the cabinet and National Indian Brotherhood as the committee to deal with these problems. If it is a grave concern, that is the logical place in which to deal with it rather than barging into regional directors' meetings.

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[*Translation*]

THE CANADIAN ECONOMY

POSSIBLE CANCELLATION OF LIP PROJECTS BY PROVINCES IN VIEW OF ANTI-INFLATION PROGRAM

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the Minister of Finance.

Since generally speaking the provinces seem to join in the collective effort all Canadians must do to stop inflation, according to the guidelines of Bill C-73, can the minister tell the House if provinces, or a particular province, have expressed the intent to cancel LIP projects for their area in 1975-76, in line with this will to cut the expenses?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will meet with my provincial counterparts on Wednesday and Thursday, and I might have on this occasion an indication by the ministers about their intents in relation to the general program.

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[*English*]

AGRICULTURE

EFFECT OF ANTI-INFLATION PROGRAM ON COST OF IMPORTED FARM MACHINERY—CONSULTATION WITH UNITED STATES

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the minister's statement made to the agricultural undergraduate society of the University of British Columbia that controls on industry will hold down farmers' costs of production, and in view of the fact that a large portion of growing farm operation costs is due to the ever rising price of imported farm machinery, was the minister's statement a result of discussions he had with Henry Kissinger during his Ottawa visit or with any other representative of the government of the United States?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, these statements were made on the basis of facts.

Some hon. Members: Oh, oh!

An hon. Member: That's a joke!

Mr. Towers: Will the minister inform the House what the results were of the discussions he had on the costs of production of farm equipment?

Mr. Whelan: I have had many discussions regarding the farm machinery industry. I think that, because of free trade, we have lost a big portion of our farm machinery industry. I mentioned it to Mr. Kissinger when he was here.

EFFECT OF PRICE GUIDELINES ON MARKETING BOARDS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of Agriculture and it relates to the applicability of guidelines or controls to farm marketing boards. Can the minister tell the House whether it is the position of the government that farm marketing boards could not increase the price of the commodities they sell beyond the increased production costs of those producers who make up the membership of that particular farm marketing board. Is that the test that will be applied?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first, it should be made clear to the House that there are very few marketing boards that set the price. They do not have that authority. We only have three federal boards which set prices for commodities, the

Canadian Dairy Commission, CEMA and the Turkey Marketing Board, which come under my jurisdiction. The rest are under provincial jurisdiction and many of them do not have authority to set prices. Those which have authority to set prices take into consideration the cost of production features when they are negotiating the price with the processors who are going to buy the product. I can tell the hon. member this, and I am sure he is aware of it already, that they never do get exorbitant amounts of money for their products. Most contracts are signed for one year, and if inflation increases production costs during that year the farmers do not get an added bit of pay for the product that year. With this new program, some marketing boards should be asking for less next year.

● (1450)

EFFECT OF ANTI-INFLATION PROGRAM ON AGRICULTURAL RESEARCH PROJECTS

Mr. Jake Epp (Provencher): Mr. Speaker, I would direct my question to the Minister of Agriculture and I am hopeful because he is dealing in facts today. In view of demand around the world for increased agricultural production and in view of the need to bring restraint into our economy, has the minister discussed with the Minister of Finance what programs will be adopted in Canada in agricultural research in order that they may be expanded and we might get back to increased productivity and get our economy back under control?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have said it many times before and I will say it again. If all other segments of the economy had increased productivity by the same amount as farmers have, that is 100 per cent per capita in the last ten years while the rest of the economy, only increased productivity by 40 per cent, we would not have to put the kind of programs into effect that we have.

Mr. Epp: A supplementary question, Mr. Speaker. Could I ask the minister what progress he has in mind for expansion in agricultural research so that productivity will increase?

Mr. Speaker: Order, please. I am sure the hon. member realizes this is no place for a recitation of that sort. The hon. member for Winnipeg North Centre.

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CANADIAN PACIFIC RAILWAY

PROPOSED LAY-OFF OF EMPLOYEES AT WINNIPEG—GOVERNMENT ACTION TO PREVENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that some 400 employees are to be laid off from the CPR shops in Winnipeg this Friday evening, and in view of the fact that my colleague the hon. member for Winnipeg North and I have been raising this matter with the minister's predecessor for some considerable time, can the new Minister of Transport say whether he is in a position to do anything this week to prevent this lay off from taking place?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. I do not have anything new to report.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the seriousness of this situation will the minister communicate with the CPR about this matter this week?

Mr. Lang: Mr. Speaker, I will give that matter the serious consideration I always devote to the hon. member's comments.

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ADMINISTRATION OF JUSTICE

DATE OF INTRODUCTION OF LEGISLATION TO CONTROL VIOLENT CRIME—OPPORTUNITY OF MEMBERS TO VOTE ON SEPARATE ITEMS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Justice. I am referring in this question to the statement by the Prime Minister on Thanksgiving Day that the government's program to reduce violent crime would be introduced shortly, and the minister's indication that this was to be the case. Can the minister tell the House today when that package of amendments or statutes will be introduced in the House? Can he also tell the House whether those amendments will be in a form to permit members to vote separately with the respect to each item in the package, bearing in mind that there are reports of such diverse items as gun control, parole and abolition of capital punishment as well as a number of other items. Are members going to have an opportunity to deal with each of those subjects on their merits?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I cannot give the hon. member a definite answer in that it relates to discussions with my colleague and certainly consultations would have to be held with provincial governments and others as to when we can commence drafting the legislation. On the second question, some decisions remain to be made within the government on that issue. As to the nature of any bill or bills to be introduced, however, I would point out to the hon. member that in the normal course of events each bill goes to a standing committee where each separate proposition can be voted on by itself.

ADMINISTRATIVE ERRORS IN CONNECTION WITH RELEASE OF PRISONERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General on the subject of "administrative errors" as he referred to them last week, resulting in inmates of penitentiaries being released when they ought not to be, often with tragic results. I would like to ask the hon. gentleman now about the converse, where an inmate is kept in custody when his sentence has been completed which occurred not too long ago in the province of New Brunswick. I would ask if the minister can assure the House that in future he will try to keep those prisoners in who should be in, but will also let prisoners out when it is time for them to get out?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker.

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HEALTH

EFFECT OF FOOD ADDITIVES ON HEALTH OF CHILDREN—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. Inasmuch as artificial colourings and flavourings in the Canadian food supply are thought to be causing hyperactivity in children, can the Prime Minister explain why his government has not taken any steps to see that research is done on this problem in Canada but instead has adopted the course of awaiting the results of research being done in the United States on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be glad to take notice of the question on behalf of the Minister of National Health and Welfare to whom it ought, obviously, be addressed.

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NATIONAL DEFENCE

SUGGESTED REQUEST OF NATO ALLIES FOR TROOPS TO ASSIST IN CROWD CONTROL AT OLYMPIC GAMES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, may I put a question to the Minister of National Defence? As there is serious doubt about whether Canada will have enough military personnel to properly police next year's Olympic games in Montreal and as the games are strictly an international affair, would the minister consider inviting some of our NATO allies to send troops to Canada to assist with crowd control and security problems?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there is no doubt whatsoever about the capability of the Canadian Armed Forces to provide security and to assist the other authorities in making certain that the athletes and spectators at the Olympics are secure. I think all Canadians would be glad to know that the armed forces are able and ready to do that.

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AGRICULTURE

EFFECT OF PRICE GUIDELINES ON MARKETING BOARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Agriculture who said a few moments ago, no doubt quite correctly, that generally speaking marketing boards take into consideration the costs of producers when negotiating a price. Can the minister tell us whether marketing boards are subject to a guideline under which they can increase the prices they negotiate only to the extent of the increase in the costs of their producer members and can marketing boards be asked by the Anti-Inflation Board for justification of increases within its terms of reference? No skating around, please.

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker, I would say that most of the requests previously made by marketing boards would be within those terms of reference.

An hon. Member: That is nonsense.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 399, 400, 1,520, 1,844, 2,535, 2,767, 2,977, 2,978, 2,979, 2,980, 3,056, 3,074, 3,077, 3,088 and 3,119.

[*Text*]

PRIVY COUNCIL OFFICE—CONSULTANTS

Question No. 399—**Mr. MacKay:**

1. From the 1968 fiscal year to date (a) how many consultants were hired (b) what were the terms of reference and time length of the work assignment (c) what was the amount paid to each (d) what was the name of each for the Privy Council Office?

2. What are the names, positions, number and salaries of public servants for the Privy Council Office that held a position similar to that of the outside consultant hired by the government?

Hon. Mitchell Sharp (President of the Privy Council): 1. See replies to questions No. 897 of November 19, 1974, No. 343 of March 4, 1974, No. 151 of October 1, 1974, No. 2,788 of October 15, 1973, No. 107 of January 4, 1973, No. 159 of February 22, 1972 and No. 79 of October 8, 1970, and the Public Accounts for the appropriate year.

2. None.

PRIME MINISTER'S OFFICE—CONSULTANTS

Question No. 400—**Mr. MacKay:**

1. From the 1968 fiscal year to date (a) how many consultants were hired (b) what were the terms of reference and time length of the work assignment (c) what was the amount paid to each (d) what was the name of each for the Prime Minister's Office

2. What are the names, positions, number and salaries of public servants for the Prime Minister's Office that held a position similar to that of the outside consultant hired by the government?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question No. 399.

PRIME MINISTER'S OFFICE

Question No. 1,520—**Mr. Cossitt:**

What are the names and addresses of all persons who have, since April 20, 1968, acted in any way by retainer or contract or any other arrangement, as advisors, consultants, or so-called experts to the Prime Minister's Office (a) in each case, what are the dates such work was performed, what was the nature of such work and what fees were involved (b) what is the total cost involved during all the time since April 20, 1968 (c) what are all the reasons, in each case, that such persons were used instead of the services of the Public Service?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 399.

STATEMENT BY MR. K. R. MacGREGOR

Question No. 1,844—**Mr. Cossitt:**

1. Is the Prime Minister aware of the following statement by Mr. K. R. MacGregor, Chairman of the Board of Mutual Life and former Federal Superintendent of Insurance, made to the annual meeting of the Mutual Life Assurance Company "We are heading rapidly towards the essentials of the U.S. Presidential system. Power is becoming concentrated in the Prime Minister's Office and the Privy Council Office with inevitable lessening of the influence of the Cabinet and Parliament and with inevitable changes in the character and status of the Public Service."?

2. Does Mr. MacGregor's statement represent an accurate picture of the way the government is operating and (a) if so, what are the additional steps the government has planned to move further towards governing Canada from the Prime Minister's Office (b) if not, what are the specific and detailed reasons that the government considers Mr. MacGregor's statement inaccurate?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171 (nn).

CONFLICT OF INTEREST

Question No. 2,535—**Mr. Lawrence:**

Has the Prime Minister, or any person acting on his behalf, given verbally or in writing any opinion, certification, or undertaking to any Cabinet Minister, other than the Minister of Indian Affairs and Northern Development, respecting a real, possible or potential conflict of interest arising from the holdings or investments of such Cabinet Minister, or the absence of any such conflict and, if so, who are the Cabinet Ministers and which of their investments or holdings are involved?

Hon. Mitchell Sharp (President of the Privy Council): Yes. These consultations led to all Ministers bringing themselves into compliance with the conflict of interest guidelines that were announced in the Prime Minister's statements to the House on July 18th and December 18th, 1973.

PAYMENT FOR USE OF GOVERNMENT PROPERTY

Question No. 2,767—**Mr. Hnatyshyn:**

Has the government received any payments from the Prime Minister or any Minister personally, or on their behalf, respecting the use of property of the government since January 1, 1972 and, if so, what are the particulars and dates of such payments?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Prime Minister is concerned: Yes. See Section 5, Official Residences Act.

IMMIGRATION OFFICES OUTSIDE CANADA

Question No. 2,977—**Mr. Caccia:**

1. How many immigration offices does Canada maintain outside Canada?

2. How many immigration officers are stationed in each such office?

3. How much money has it cost to maintain and staff each such office in the years 1970 to 1975?

4. How much money does the government expect to spend to maintain and staff each such office in the fiscal year 1975-76?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. As of July 31, 1975, 59.

2, 3 and 4. See Table following.

	(2)	(3)	Cost of operating offices (a)					(4)
Posts	Officers	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76 Estimate
Athens	4	142,757	147,555	108,640	108,624	92,928	94,172	97,825
Atlanta	1				6,067	37,931	33,128	35,800
Beirut	4	148,659	171,086	100,895	129,051	73,284	80,614	99,300
Belfast	2	54,074	61,473	41,311	41,281	39,591	45,226	55,200
Belgrade	4	75,988	77,933	67,830	99,106	79,510	79,280	88,000
Berlin	1	20,049	91,375			21,979	23,828	32,400
Berne	2	105,858	110,683	75,480	62,197	39,788	50,212	57,700
Birmingham	5	76,809	106,495	66,922	88,555	67,085	80,426	102,360
Bogota	1						20,454	33,060
Bonn	3	238,927	208,961	171,456	114,691	100,198	101,606	78,158
Bordeaux	1	62,319	55,056	31,634	29,775	30,199	32,510	35,600
Boston	2				27,700	43,115	79,607	57,700
Brussels	2	138,789	129,199	63,504	56,360	53,897	55,240	67,700
Budapest	1	21,731	33,812	17,685	20,769	24,433	21,161	24,500
Buenos Aires	2			12,912	30,386	39,427	57,064	60,323
Buffalo	2				12,217	25,786	47,866	58,800
Cairo	2	59,298	62,574	57,223	47,254	42,775	40,516	53,600
Chicago	3	72,144	91,375	51,764	46,694	39,708	56,105	73,000

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Posts	(2) Officers	(3) 1969-70	1970-71	1971-72	Cost of operating offices (a) 1972-73	1973-74	1974-75	(4) 1975-76 Estimate
Copenhagen	1	88,039	101,866	62,848	60,732	61,683	53,312	42,780
Dallas	1				12,429	24,842	33,607	37,000
Detroit	3				16,396	38,894	58,765	73,200
Dublin	1	35,495	46,479	29,747	39,475	33,312	29,203	30,650
Glasgow	5	117,651	124,656	65,774	67,309	667,195	82,283	95,300
Hamburg	0	72,338	94,311	53,247	44,589	17,924	16,459	14,271
Hong Kong	9	400,869	370,371	199,473	225,902	182,872	213,030	208,100
Islamabad	2	75,261	68,367	33,715	11,319	21,059	46,512	51,000
Kingston	5	86,858	107,144	85,218	92,238	66,595	88,587	111,200
Lisbon	4	79,329	81,509	73,256	87,302	87,960	92,190	105,704
London	16	623,196	536,725	399,766	320,249	237,274	316,641	387,500
Los Angeles	3	36,394	3,699		5,848	38,522	50,490	69,600
Madrid	1	58,872	65,553	42,159	55,786	45,796	40,905	34,550
Manchester	6	117,140	106,484	61,373	61,053	60,307	84,568	114,900
Manila	5	97,920	79,690	77,693	114,910	93,346	100,272	114,100
Marseille	2	91,582	97,917	45,633	43,429	50,301	56,297	60,800
Mexico City	1						10,305	35,062
Milan	1	121,641	104,394	52,875	46,088	41,817	38,588	31,300
Minneapolis	1				10,366	24,028	31,812	37,920
Nairobi	4				18,579	51,981	67,154	97,760
New Delhi	7	172,198	167,488	94,255	118,615	84,961	126,034	147,700
New Orleans	1				5,941	18,752	39,051	30,400
New York	6	85,295	98,654	71,755	112,326	93,931	113,999	162,600
Oslo	0	14,018	5,585	6,411	5,863	11,315	18,987	11,220
Paris	8	478,867	410,877	283,251	197,082	145,669	146,148	208,100
Port au Prince	2						27,891	54,217
Port of Spain	6	156,433	177,126	105,429	121,314	95,066	124,797	139,700
Rabat	2					5,298	38,127	51,500
Rome	5	438,279	364,880	182,597	163,164	111,950	79,667	112,500
San Francisco	3	107,435	111,682	68,895	52,534	45,460	65,875	61,835
Seattle	3				10,745	28,668	46,465	71,250
Seoul	3					21,686	56,417	66,100
Singapore	2					14,072	32,550	56,200
Stockholm	2	84,581	82,826	59,064	62,714	46,480	49,356	59,025
Stuttgart	3	106,649	139,374	88,347	83,660	61,552	78,922	85,400
Sydney	3	125,719	133,401	80,704	83,134	85,494	81,995	94,100
Tel Aviv	2	79,627	73,001	51,289	47,319	37,744	46,478	54,400
The Hague	3	134,221	135,387	103,928	92,921	60,792	75,936	75,950
Tokyo	2	148,623	143,474	96,392	112,504	69,577	61,792	64,900
Vienna	2	173,699	198,491	101,458	120,216	72,180	54,354	56,500
Warsaw	2					9,298	32,325	42,700

(a) Costs include only those chargeable to Immigration Vote 15. Costs paid by the Department of External Affairs such as locally engaged staff, accommodation, etc., are not known.

PRIME MINISTER'S OFFICE

Question No. 2,978—Mr. Clark (Rocky Mountain):

What specific regulations, directives, guidelines or other action have been issued or taken by (a) the Prime Minister (b) the Clerk of the Privy Council (c) any other officer to ensure that any person employed in or by the Privy Council does not interfere with ministerial responsibilities in the formulation and evaluation of policies?

Hon. Mitchell Sharp (President of the Privy Council): See pages 33:18 and 33:19 Minutes of Proceedings and Evidence of the Standing Committee on Miscellaneous Estimates for Monday, May 12, 1975; and pages 36:26 and 36:27 of Issue No. 36 for Tuesday, May 20, 1975.

[Mr. Andras.]

PRIME MINISTER'S OFFICE—NAMES AND TERMS OF REFERENCE OF OFFICER OR GROUP UNDER CONTRACT

Question No. 2,979—Mr. Clark (Rocky Mountain):

1. What are the names and specific terms of reference of any officer or group in or under contract to (a) the Privy Council Office (b) the Prime Minister's Office (c) any other government agency who are presently engaged in any analysis of any aspect of the working of Parliament with the intention of proposing suggestions for reform of Parliament to the Prime Minister or with any other purpose?

2. In each case, which areas of parliamentary activity are being analysed?

Hon. Mitchell Sharp (President of the Privy Council): As stated previously to the House (see page 6022 of the House of Commons Debates for May 22, 1975) I take responsibility in my capacity as President of the Privy Council in matters concerning the reform of Parliament.

PRIME MINISTER'S OFFICE—NAMES OF PERSONS EMPLOYED TO CONSIDER PARLIAMENTARY REFORM

Question No. 2,980—**Mr. Clark (Rocky Mountain):**

In each year 1966 to 1975, what were the (a) names (b) terms of reference (c) salary range of any persons or groups employed or engaged by the Prime Minister's Office or the Privy Council Office to consider any aspect of (i) parliamentary reform (ii) government organization?

Hon. Mitchell Sharp (President of the Privy Council): In each year from 1966 to 1975 so great a number of persons in the Prime Minister's Office and the Privy Council Office have been concerned with some aspect of Parliamentary Reform or government organization that it is not possible to give a complete and accurate answer to this question.

APPOINTMENT OF PETER TURNER—PRIVY COUNCIL OFFICE

Question No. 3,056—**Mr. Munro (Esquimalt-Saanich):**

1. On what date was Peter Turner appointed to the Privy Council Office?

2. Was the appointment made by (a) open (b) closed public service competition (c) Order in Council?

3. What are his duties in the operations and planning Directorate of the Privy Council Office (a) in what salary range was he employed (b) in what salary range is he now being paid?

4. At what level was he assigned in the Directorate (a) Director (b) Deputy Director (c) other?

5. In the years 1973-74, 1974-75 and 1975-76 (a) how many persons were serving in the Directorate (b) how many man-years does this represent (c) what is the cost in dollars?

Hon. Mitchell Sharp (President of the Privy Council):
1. July 21, 1975.

2. (a) Yes, Public Service Employment Regulations 7(1)(b)(ii) inventory of outside applicants. (b) and (c) Not applicable.

3. Under the direction of the Assistant Secretary to the Cabinet (Priorities and Planning), acts as an Assistant Secretary to a Cabinet Committee. (a) $24,500 to $30,600. (b) $24,500 to $30,600.

4. (a) and (b) Not applicable. (c) Secretariat Officer/ Assistant Secretary to Cabinet Committee (Priorities and Planning).

5. (a) 1973-74, 10 persons, 1974-75, 10 persons; 1975-76, 9 persons. (b) 1973-74, 10 staff-years; 1974-75, 10 staff-years; 1975-76, 9 staff-years. (c) 1973-74, $173,650; 1974-75, $185,291; 1975-76, $69,486 (half year).

ABORTIONS

Question No. 3,074—**Mr. Robinson:**

What has been the cost to the taxpayer to provide free abortions under health services for each year 1968 to 1975 inclusive?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada collects data on the number of therapeutic abortions performed in Canadian hospitals. Refer to House Question 3077 for this information. Statistics Canada does not collect detailed data on the cost of providing various specific types of medical services.

ABORTIONS

Question No. 3,077—**Mr. Robinson:**

How many (a) legal (b) illegal abortions have been performed in each accredited hospital in Canada in each year 1968 to 1975 inclusive?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that data on legal therapeutic abortions from August 1969 to December 1973 are available. Data for 1974 have been collected and are currently being processed. Data for 1975 are being collected but have not yet been analysed. Data on illegal abortions in Canada are not available since these are, for the most part, not reported. Data on the total number of legal therapeutic abortions performed in each province in each year from late 1969 to 1973 inclusive are presented in the attached table. The number and location of accredited and approved hospitals with therapeutic abortion committees have been reported by each province and are available from 1972 to 1974 inclusive. See Table II. The Statistics Act specifically precludes the release of information on the number of therapeutic abortions performed in each individual accredited hospital.

Table I

Therapeutic Abortions by province of report, Canada, August 1969–December 1973

Reporting Area	August 26, 1969 to December 31, 1969	1970	1971	1972	1973
All Areas	542	11,200	30,949	38,905	43,245
Newfoundland	2	25	80	133	166
Prince Edward Island	–	18	39	44	41
Nova Scotia	18	263	645	839	947
New Brunswick	4	72	146	183	330
Quebec	23	541	1,903	2,912	3,217
Ontario	274	5,657	16,244	20,314	22,661
Manitoba	17	248	864	1,198	1,274
Saskatchewan	12	217	760	1,028	1,203
Alberta	–	1,172	3,169	3,994	4,132
British Columbia	191	2,981	7,090	8,211	9,192
Yukon	1	6	9	49	82

Table II

Number of Hospitals with Therapeutic Abortion Committees by province, Canada as at January 1, 1971 to 1974

Area	1971	1972	1973	1974
All Areas	143	247	261	258
Newfoundland	4	7	7	6
Prince Edward Island	2	2	2	2

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Area	1971	1972	1973	1974
Nova Scotia	6	11	12	12
New Brunswick	7	7	7	7
Quebec	16	23	31	27
Ontario	48	104	108	108
Manitoba	4	9	9	9
Saskatchewan	8	10	10	10
Alberta	18	23	23	24
British Columbia	29	50	51	52
Yukon	1	1	1	1

NUMBER OF REPEAT ABORTIONS

Question No. 3,088—**Mr. Robinson:**

How many women in Canada have had more than one abortion at the taxpayers expense?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: Detailed data on repeat therapeutic abortions are not yet available for 1974. Data for 1972 and 1973 are available through the individual case reporting system. In 1972, in reports from six provinces and the Yukon (excluding Nova Scotia, Quebec, Ontario and British Columbia) there were a total of 413 repeat abortions out of a total of 6,382 abortions reported. In 1973, in reports from eight provinces and the Yukon (excluding Ontario and British Columbia) there were a total of 591 repeat therapeutic abortions out of a total of 11,249 abortions reported. As therapeutic abortion has been considered a required medical service by provincial departments of health, payment for this service would fall within the terms of the shared federal-provincial Health Insurance program.

Province of Residence by Number of Previous Spontaneous and Induced Abortions, Canada, 1972 and 1973

Item	All Areas	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Manitoba	Saskatchewan	Alberta	Yukon
					1972					
Total cases reported	6,382	133	45	–	183	–	1,178	1,043	3,752	48
Previous spontaneous Abortions										
0	5,397	121	40	–	170	–	868	964	3,389	45
1	328	10	2	–	7	–	47	48	214	–
2	100	–	1	–	4	–	16	15	61	8
More than 2	91	2	2	–	2	–	15	14	56	–
Unknown	266	–	–	–	–	–	232	2	32	–
Previous induced Abortions										
0	5,969	131	45	–	176	–	917	1,022	3,632	46
1	138	2	–	–	6	–	27	18	83	2
2	7	–	–	–	–	–	2	–	5	–
More than 2	–	–	–	–	–	–	–	–	–	–
Unknown	268	–	–	–	1	–	232	3	32	–
	413									
					1973					
Total cases reported	11,249	193	41	932	341	3,141	1,259	1,219	4,047	76
Previous spontaneous Abortions										
0	10,161	166	37	873	304	2,725	1,160	1,084	3,749	63
1	656	12	3	33	20	286	51	55	184	12
2	181	3	1	8	5	74	13	17	60	–
More than 2	132	3	–	8	5	54	14	13	34	1
Unknown	119	9	–	10	7	2	21	50	20	–
Previous induced abortions										
0	10,658	178	40	898	328	2,094	1,199	1,147	3,897	67
1	430	6	1	21	4	208	35	22	124	9
2	35	–	–	3	1	20	3	–	8	–
More than 2	10	–	–	–	–	8	1	–	1	–
Unknown	116	9	–	10	8	1	21	50	17	–
	591									

[Mr. Roy (Laval).]

MIRABEL AIRPORT

Question No. 3,119—**Mr. Cossitt:**

Did the Prime Minister say at the opening of the new Mirabel Airport: "The Torontonians will be down here on their knees" and, if so (a) for what reason did he make the statement (b) what is the full meaning of the statement (c) was it meant as a public affront to the people of Ontario and Toronto in particular?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms Citation 171(1).

* * *

[*English*]

QUESTION PASSED AS1ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 1,583 could be made an order for return, this return would be tabled immediately.

[*Text*]

PRESIDENT OF CIDA

Question No. 1,583—**Mr. Jones:**

1. Under the rules of protocol, does the President of CIDA take precedence over the Prime Minister and/or Cabinet Ministers in certain foreign countries?

2. Are the citizens of certain foreign countries led to believe that the President of CIDA is supreme over the Prime Minister and/or Cabinet Ministers?

3. (a) What are the responsibilities and duties of the President of CIDA (b) how many persons are on his personal staff (c) what is the total staff of CIDA?

4. (a) What is the name of the President (b) on what date does his appointment expire (c) what is his salary?

5. (a) What are the names of all employees of CIDA (b) what are their salaries?

6. What persons, firms, companies and organizations, have received monies and/or contracts from CIDA and what are their names, the amounts of the contracts and the officers and personal shareholders or owners?

7. (a) Through what Minister does CIDA report to Parliament (b) on what date was the last report tabled (c) on what date will the next report be made?

Return tabled.

● (1500)

[*English*]

Mr. Blais: I ask that the remaining questions be allowed to stand.

Mr. Cossitt: Mr. Speaker, I rise on a point of order to do with the first three questions on the order paper, Nos. 28, 62 and 69, which I placed on the order paper on September 30. They were on the order paper in the previous parliament, and remain unanswered. Two questions concern the Prime Minister. One has to do with designers, architects and others who have been employed at heavy public expense on projects at 24 Sussex Drive. Surely the answer to that question is straightforward.

The second question deals with the numerous journeys the Prime Minister has made at public expense. The answer to that too, I should think, is straightforward. The

third question concerns my constituency: the Post Office Department moved the post office from premises in the village of Lyndhurst, for which the rental had been $120 per year, to similar premises for which the department pays $5,500 per year. Such a rent increase may not seem important to the high-spending people opposite, but I suggest that when the rent goes from $120 a year to $5,500, something smells.

That question should have been answered long ago: it has been on the order paper for a year and a half. I have raised these matters a good many times, and I suggest that the parliamentary secretary or the Prime Minister (Mr. Trudeau)—who has left—ought to tell us why these answers have been outstanding for so long.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Friday, October 17, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the government white paper opens its text with this deathless prose saying "Canada is in the grip of serious inflation." The government has suddenly discovered inflation. On Friday, during the short time available, I asked what were the reasons for the government's apparent *volte-face*; what were the reasons behind the government's flip-flop, as it were, with regard to an incomes policy or wage and price controls? To include rents as well—

The Acting Speaker (Mr. Turner (London East)): Order, please. I ask hon. members to carry out their conversations behind the curtains and allow the hon. member for Edmonton West (Mr. Lambert) to continue his remarks.

Mr. Lambert (Edmonton West): Mr. Speaker, I know that important government decisions must be taken, but not here on the floor.

Mr. Baker (Grenville-Carleton): They are usually ad hoc.

Mr. Lambert (Edmonton West): They are ad hoc. For all we know, they may be contemplating a tax change right now, as happened suddenly not long ago when the decision to change an excise tax provision was made in this House during conversation.

I want to know whether this is a bona fide policy or whether the government's sudden change was motivated by other reasons. Why did the Prime Minister (Mr. Tru-

deau) suddenly furnish leadership and seize on controls as a means of fighting inflation? It seems as if the government suddenly discovered inflation. On Friday I canvassed the reasons as to why the former minister of finance may have resigned. I am glad to note the presence of the hon. member for Ottawa-Carleton (Mr. Turner) in the House, because I will ask him to do something which he owes this country. I will ask him to participate in this debate and tell us precisely why he resigned his position as minister of finance.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): After all, the former minister went out on hosannas of praise sung in the press and elsewhere. We want to know if he advocated a program of full controls after he came from the meeting of the World Bank, and if there was a dispute between himself and the Prime Minister. After all, the Prime Minister and the former leader of the NDP, ably abetted by the media which had not reflected deeply enough on the question at the time, were not in favour of anti-inflation controls. During the last election campaign it was felt that the smart thing to do was to knock out the concept of an incomes policy. The media went chasing some red herring which the Prime Minister wanted them to chase. Nevertheless, the policies at issue in the 1974 election campaign had to do with the deficiencies of this ministry; they had to do with the budget brought forward by the hon. member for Ottawa-Carleton, on which the government was defeated.

Mr. Baker (Grenville-Carleton): The budget failed.

Mr. Lambert (Edmonton West): The budget failed lamentably. Therefore, why was there this sudden change in October? I suggest that perhaps this is an effort merely to divert public attention. If there was a quarrel within cabinet which forced the hon. member for Ottawa-Carleton to resign, then this is a beautiful diversion of attention. The newspapers, radio, television—just about everybody—are ignoring precisely what happened in the cabinet.

Mr. Stanfield: Ask him once more to speak.

Mr. Lambert (Edmonton West): The request has been repeated for the hon. member for Ottawa-Carleton to speak. I hope we shall hear him in this debate. He is a good man. I believe him to be an honest man. I think he must give an honest answer regarding the proposals incorporated in this bill.

An hon. Member: Speak to the bill.

Mr. Lambert (Edmonton West): I hear someone say, "Speak to the bill." We are speaking to the bill, the principle of the bill. I am not nit-picking, but unless there is this opportunity—

The Acting Speaker (Mr. Turner (London East)): Would the hon. member please address the Chair?

Mr. Lambert (Edmonton West): Of course, Mr. Speaker; I will not neglect your august presence. But hon. members opposite want us to become involved in, shall we say, the shallow details of this mean and miserable bill. I will say this: we advocated the principle of controls, and still do.

[Mr. Lambert (Edmonton West).]

● (1510)

Let us consider what inflation has been like since this administration under the present Prime Minister took over. In June, 1968, the CIP was 120; in September of this year it was 189.3. Let us see how it has moved. In 1970 it was 129.7; in 1972, 139.8; in 1973, 151; in June, 1974, 166.7. After the right hon. member and his cohorts in the Liberal party won the election in 1974, it went to 176.6 in January, a period of six months. In February this year it was 178; in June, 184; in August, 188.4; and in September, 189.3. Inflation has been with us for a long time.

In 1969 the Prime Minister made a dramatic appeal over television on the subject of inflation. That campaign soon died. In 1971 the Prime Minister said that inflation in Canada had been stopped. We have had all sorts of statements from the right hon. gentleman saying that the government's chief task was to wrestle inflation to the ground. It has not done a thing to achieve that end. Look at the statements made by the former minister of finance. Did he speak about the need for controls, in his June budget, on inflation? Inflation was going ahead at its fastest rate from June, 1974, to June, 1975, right through the February budget into the June budget, but no real steps were taken to fight it. There was a bit of a tax cut and the odd fiscal measure, but nothing very serious. The results show on the charts. If hon. members doubt what I have to say, my figures come from the Bank of Canada monthly report.

I have here a transcript of the proceedings of the 1970 Standing Committee on Finance, Trade and Economic Affairs, a committee in which there was a Liberal majority. Today, the Prime Minister and the Minister of Finance say we have to break the inflation psychology that exists. That is why we have this bill. Certain aspects of it are made to appear harsh. We are now to get a great sales campaign. The Prime Minister leaves tomorrow morning for various parts of the country and we will not see him until some time next week. We will hear ministers talking about the dangers of inflation psychology. They will say that the public was not aware that we had inflation, that they got caught up in this and it must be the objective of the government to try and deal with inflation.

Two years ago, most of the inflation that we had was imported. Now it is due to a cost-pull: wages, salaries and revenues have been too high. It is not a case of demand-pull. We know that a great part of Canadian industry is lying idle and that there is less than our full potential being used. Unfortunately, I do not have here the membership of the committee; however, I do know that the hon. member for Windsor West (Mr. Gray) was the chairman. I cite as follows from page 392 of the *Journals* of parliament dated February 6, 1970:

> Today's inflation has tended to institutionalize itself as a persistent and would-be permanent guest in our system, through, among other factors, the widespread development of an inflationary psychology.

This government was told by its majority-dominated committee in February, 1970, that there was an inflationary psychology. What have they done? In 5½ years they have done precisely nothing except feed that inflation. In February, 1970, the CIP stood at something less than 129. The figure for June was 129.7. The last figure, for September, was 189.3. That is an increase of 60 points, or 50 per cent inflation. There has been an increase in prices since

1970 of 50 per cent. Is that satisfactory? Is it satisfactory that the government has not done anything in that time? However, we are now getting this spinning of wheels, revving of motors and dashing off in all directions at five minutes to midnight.

No one has talked about unemployment, the second bugbear or characteristic of a sick Canadian economy. There is overly high unemployment, more than 7½ per cent at the present time. What will it be by next February? We have not had one indication in this white paper or in speeches of the Prime Minister, the Minister of Finance or any other government spokesman as to what they propose to do about unemployment.

In September, the former minister of consumer and corporate affairs, the hon. member for Windsor West, made a speech to the Rotary Club in Windsor. As is the habit of former ministers, they send out their speeches. The former minister keeps talking about his anti-profiteering bill, saying it was the great thing in the armoury of the government. He proposed it in 1972, and it died amoaning. It was again proposed, in a different form, but it did not see the light of day. It should be brought forward again. This was done on behalf of the Liberal party even though that former minister is very critical of government policy or government inactivity with regard to inflation. Yet on the basis of advancing the cause of the Liberal party, the hon. member for Windsor West calls for an antiprofiteering bill, one which is even tougher than the bill he introduced. Is there mention of an anti-profiteering bill? Not that I very much care for one, but that is what the government said it was going to do.

● (1520)

What are the fiscal and monetary measures which the government would propose? Are there to be any incentives to productivity? There was a great deal of talk in the speeches of the Minister of Finance and the Prime Minister about a decline in Canadian productivity. Let them go back to that committee report of February, 1970. They will find the committee members, including the majority Liberals, talking even then about a regrettable decline in Canadian productivity and saying it was one of the major causes of inflation.

The great issue at that time was high interest rates; that is what motivated the government in naming this committee to look into inflation. Back in 1969-70, as the committee reported, interest rates were around 8.5 per cent. But today, as of October 15, interest rates are 9.52 per cent. On October 1, the federal government's long-term investment rate had reached 9.84 per cent. This is a clear indication of the inability of hon. gentlemen opposite to deal with inflation.

The average coupon rate on Government of Canada Savings Bonds is priced to yield 9.38 percent. Imagine the federal government borrowing those hundreds of millions of dollars and having to pay that kind of coupon rate. And this is not just for today; it is for the long term—the life of those bonds. What sort of a yoke are they fastening on the neck of the Canadian economy when the government puts us into a strait-jacket of that type, probably for the next nine years? I have not seen the bonds, but I assume they will mature in nine years. It means that high interest rates are going to be with us for a long time. Invest in mortgages at rates less than 9 per cent, when 9.5 per cent is being paid on government bonds right now? Who is fooling whom? Those high interest rates will remain with us as long as the present government is in charge of economic policy.

As far as this bill is concerned, we support the principle of control. I certainly did so to the best of my ability and with my full strength during the last electoral campaign; and with success, because the people understood when one talked to them about the wastage and cancer of inflation, its effect upon their incomes, their bond holdings, their private pension plans, and so on. Imagine a schoolteacher going out on pension in 1968 with the CIP at 120, and today facing 189.3. Mr. Speaker, that is worse than highway robbery. We throw robbers into jail; sneak thieves go to jail; but the biggest sneak thief of all has been the Government of Canada—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): —for permitting this to go on while, all the time, hiding their heads in the sand. True, they offered a band-aid here and there. But what was done for pensioners, what was done for retired people living on their hard-earned savings, those whose resources were being eroded? From time to time the government came forward and announced grandiloquently that they were increasing pensions or supplementing them in accordance with the cost of living index. What cynicism, to carry on in that way!

The bill before us sets up a big, new agency. Already we are seeing it in the process of expansion. The chairman is saying things which make the vice-chairman wince with pain. We are likely to see an interesting performance there. Here in the House, one minister is saying that wage increases of 38 per cent and 40 per cent qualify under the guidelines, while another is saying no, they do not. Then, again, this bill provides for a period of 3½ years, long enough to get the total economy wired into a system from which it will never emerge: it will never come out after 3½ years.

Moreover, there is power in the legislation, subject to the approval of parliament, to enable those controls to be continued further. An opportunity will be provided for an even more synical performance of the kind for which the Prime Minister is noted. Some three months before the 1978 election the controls will come off or it will be announced that they will come off at a date close to the election, not during the election, because we know there would be certain repressions which would burst forth at that time. Mr. Speaker, at the end of 18 months surely parliament should be able to review this program.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): After all, why cannot the government take parliament and the Canadian people into its confidence? The government is imposing this particular economic program, these heavy controls, controls that the Minister of Finance says are absolutely frightening and which are going to frighten us for 3½ years. Parliament should say no to that, and so should the Canadian people.

● (1530)

What is required is a careful analysis of the situation at the end of 18 months, so we can decide where we have gone. Obviously, there will be some errors made. It is a tough program. I am quite honest when I say that had the Conservatives won the election in 1974 and introduced our system of controls—the 90-day freeze and then a short period of controls—there would have been mistakes; there would have been some difficulties. After all, we could not get into the blessed mess that we are in without it costing us something to get out. If the situation were so simple that there would be no problems, then the art of government would be extraordinarily easy. But that is not the case.

This House will ultimately, undoubtedly, pass this bill in principle so that it can go to committee to be examined in detail. We will then see the proof of the pudding. The bill is being sent to the finance committee, but I can assure the House, Mr. Speaker, that it will not be just government officials who will speak to the committee—not likely. The minister has already confused everybody, including himself, and has he done so just to confuse the committee?

I am sure that organized groups, farmers, manufacturers, many walks of life both organized and unorganized, will want to let the committee know what they think about these controls and some of the dangers. I hope their criticisms will be constructive. But there will be criticism and it will take some time to express. I hope we can arrange our work in this way so that those people who are vitally concerned with this problem of administration, on both sides of the House, will be able to devote appropriate time to the matter; that we will not have piled on to the committee more and more work so there is pressure to work morning, afternoon and night, week in and week out, so as to hide and obscure, as is often the case when government tries to ram through a measure.

Having said that, Mr. Speaker, I hope that in his reply the Minister of Finance will be forthcoming in regard to some of the questions posed by my colleagues and others in the House. We say that inflation is so bad that we must have the most straightforward honesty both from the Minister of Finance and from the Prime Minister. And last but not least, we must have an honest exposé of what went on by the hon. member for Ottawa-Carleton when he was acting in his capacity as minister of finance.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, may I say at the outset that I am relieved that the government has at last faced up to its responsibility to do something about inflation. This certainly is not the occasion to reiterate the arguments that we have been putting forward for so long calling for positive, strong action. Suffice it to say that we welcome this declaration of intent.

Our hopes were raised many months ago when the Prime Minister (Mr. Trudeau) said, and as he has repeated so often, that he would wrestle inflation to the ground. Well, that announced that the match would be held, but unfortunately the date was never set. At last the government has entered the ring. That is good and necessary. But I cannot help wondering, Mr. Speaker, if you will allow me to prolong the analogy, just what the government has been doing during the training period, this long, long training

[Mr. Lambert (Edmonton West).]

period. Obviously, the government was not doing roadwork. The provinces, the unions, business—none was brought in on the preparations.

Nor do we have any evidence that the government was even doing exercises at home in preparation for the fight. Indeed, the entire plan so far revealed has every mark of being put together in considerable haste. What we have before us is obviously the result of the burning of midnight oil for a period of about three weeks or so, probably since about September 26 when the new Minister of Finance (Mr. Macdonald) moved into Place Bell Canada. Could it be that when he moved in he could find no contingency planning, no strategy for the forthcoming match, not even a few notes on a blotter?

Of course, that raises the still unresolved question—just referred to—of why one of the seconds left the team before the bell rang. We still have not had a proper account of what lies behind that change in the line-up. In my view, an explanation is owing, and badly owing; but that is another matter which I hope will be answered by the former minister of finance.

We certainly had no idea that the fight was coming soon, in view of the government's diet during the training period—salary increases, complement increases, a quarter of a million dollars worth of smoked salmon and champagne to open Mirabel, regret than $400 million will not be spent at Pickering, with the suggestion that other places will be found to spend the money, and an absolutely shattering deficit as well. No, Mr. Speaker, there was no dieting, no trimming of fat, in preparation for the wrestling match. I suppose the idea was to go in heavy, to gain as much weight advantage as possible.

Why, then, did the government also feed its opponent? Why make the contest more difficult? Why increase, for instance, so dramatically the price of fuel? Did we really have to add to rising costs everywhere for home buyers and businessmen by putting up the interest rate so high? Did we have to go so deeply into the money markets that private borrowers are finding the pot dry or the price far too high?

However, that is past: we now come to the day of the big event and the bell has rung for the first round. And what a fight it is going to be. It will be a long one, Mr. Speaker, a very long one. There is no expectation of an early decision. There is no indication or suggestion that once inflation is on the mat it can be pinned quickly so we can then turn our attention to other matters. We have been told by the Prime Minister that it is going to be more than three years before the referee is asked if the fight should continue, and that worries me very much.

I worry that the powers granted will be kept by government. I worry that what is being done to meet an emergency may turn into a way of life, a continuing condition of being Canadian. I worry that the free forces that have helped us reach the prosperity we have will be forever checked as a result of needing regulation at this particular time. I plead with the government to give us some concrete and meaningful assurance that parliament will be able to review these powers, not three years hence but six months hence or at least a year hence. We had problems enough with one War Measures Act; let us not make this a parallel in the "war against inflation measures act."

● (1540)

An hon. Member: Let's not make jokes.

Miss MacDonald (Kingston and the Islands): It will be no joke if you have to live under those kinds of regulations. The granting of powers such as these to the government is, and should always be, recognized as an extraordinary measure. Let us demonstrate this. Let us show the people of Canada that this is a temporary measure, not a new government program of indefinite or interminable duration, and that the form of this legislation makes this very clear. The bill should not be proposing a major change in the economic and social structure of the country. It should not be using a temporary crisis brought about in large part by poor fiscal and monetary management by the government to give lasting and sweeping powers to the government.

Neither should a special bureaucracy be created to administer this legislation. Surely that can be done in a way that will not add yet another increase to the permanent civil service. Let us do it right. Let us not leave any room for false impressions. For once, let us see that the action matches the intention.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): The proposals my party put forward, and which I supported, called for a timetable of controls and an early cut-off point. This is vital and is a condition for the support I would give the government's current plan.

I have another concern, Mr. Speaker, and that is about how tough a fight we can expect. As you know, our party's proposal was for a short but total freeze to be allowed by selective and limited controls and only for the duration necessary. This was a program, in other words, that would move from comprehensiveness to flexibility and then to abolition. That is not what the government's current proposal provides. This bill before us starts with an array of guidelines and exemptions. It moves from flexibility to rigidity with no provision for parliamentary review or even analysis of the saliency of the program, and regardless of a flexible approach at the outside, imbedded within this bill are provisions that can be activated at any time the government chooses, which will give it unprecedented regulatory powers in peacetime.

The government has chosen to start with a soft approach. If any program is to beat inflation, it must be seen to be tough. The government must convince the people of Canada that the program will initially in fact stop the inflationary cycle. The climate of the expectation of inflation must be broken. That is what the Prime Minister said the other night, and I agree with him on that particular point.

If the inflation psychology is to be beaten, people must be convinced that inflation will be beaten. They will never believe that if they see exemptions being made for a range of special cases. I fear that greatly, because if some people escape the net and get higher pay raises, or if some companies can put up prices and get away with it, people just simply will not believe that the program will work, and they will have very clear evidence that they are still falling behind and will continue to want and demand more, and in all likelihood they will need more.

I can imagine some of the very difficult decisions that will have to be taken. It is not easy to be tough; and let there be no mistake, being tough will sometimes mean being unfair. But unless the government is tough, it will never convince people that they should discipline themselves to the controls and that they will not be doing themselves and their families a disservice by following the law.

I think it is dreadfully unfortunate that this program has been launched in a way that seems to maximize confusion. Hardly anyone knows how the controls will affect him or her. Each and every exemption the government introduces increases the confusion. We, absolutely, must get clarity and certainty and we must get it fast. I call on the government to be strong and to show, in the really hard decisions it will have to make, that it has the power and it has the will to win this battle. Let it be seen to have determination and confidence in the course it has undertaken.

This will mean that its decisions will not always be as fair as we would normally expect. It will not always be fair to stop some price rises, but we must. Exceptions for some pay raises may look equitable, but to allow them will destroy the whole program. Many inequities exist today and they are suffered mainly by those who do not have great power; those who are unlikely to benefit from any exemptions that will be asked for or achieved.

Tough controls will mean rough justice, as my leader has said. That is just another reason why controls must be of short and limited duration. If the people of Canada anticipate years and years of the exercise of these powers, they will not put up with unfair treatment. If they can see light instead of dark at the end of the tunnel, and if they are convinced that remedy is not indefinitely postponed and that a wait of a limited period will allow redress in an atmosphere from which inflationary expectations are removed, then it will be possible to live within guidelines even when it means suffering temporary and relative disadvantage.

I suggest that the government will incur support if it adheres to a strict interpretation of the legislation, but I predict that it will incur a failure of the program, a loss of the fight and a collapse of confidence if the hard decisions are not taken.

There are many specific items in the bill before us that require careful attention. My colleagues will deal with many of these. Before continuing with my general remarks, I should like to comment on one specific area that does not appear in the legislation but is in the white paper, the action plan, and I refer to the area of rents.

The government will ask the provinces to take action. It has been suggested in the white paper that rents be allowed to rise to some as yet undetermined percentage increase. Beyond that, increases must be justified by demonstrated rising costs. New rental accommodation, as is stated in the white paper, that has no history of rental contracts is exempt for five years. Why is it exempt for five years? Is that the real horizon for this program? Is that what the government means?

I also want to know how the allowed percentage increase referred to will be decided. Obviously, this is an area within the jurisdiction of the provinces, but this is

also a problem that is real, pressing and urgent all across Canada. There are few of us in this House who have not had the problem of rents brought forcibly to our attention. The provinces have repeatedly urged the government to take a lead in this fight against inflation.

● (1550)

I hope the government will not duck its mandate in the area of rents. Certainly, the provinces have prime jurisdiction, but the responsibility for leadership rests here in Ottawa. In this connection I hear rumours that the Minister of State for Urban Affairs (Mr. Danson) may convene a federal-provincial meeting to discuss this specific subject. This must go ahead. Surely this is an opportunity not to be missed.

Please don't let us hear, in effect, that the confusion in which that ministry has just been thrown by a restructuring of its hierarchy necessitates the passing up of this responsibility. Let us not say that the ministers of finance can handle this little item. It is a housing matter and should be dealt with by the ministers responsible for that function.

Is the government prepared to act like a government for Canadians, or will it once again relegate housing to a tag-end item for the financial mandarins? Will the Minister of State for Urban Affairs be given a chance to do his job, or will he have to keep sitting where this government's order of precedence puts him—on the sidelines? The answer to this question will tell Canada what priority this government really gives to one of the three essentials of human life—shelter.

This leads me, Mr. Speaker, to some of my broader concerns about the program that has been presented for our consideration. Everyone knows that inflation is not an indivisible, single-based problem. There are sectoral factors that must be considered. Housing is certainly one of those. Supply of accommodation, not just greed of landlords and owners, is the root of increasing housing costs. And in a major degree the supply of housing is determined by the effective cost of mortgage money. We now have mortgage rates that border on the usurious and put home ownership beyond the hope of all but a few. Those same rates make it uneconomic for business to build rental accommodation.

Does anyone here know of any unsubsidized rental housing being built, for instance, here in Ottawa? I can tell you that the amount of such construction across Canada is completely inadequate to meet the needs. Rent control will not solve the housing problem. More housing will. But that depends upon mortgage money being available at reasonable cost and in sufficient supply. The anti-inflation package is incomplete until it solves this problem.

What are the government's plans? Which of the many alternatives available does it propose to pursue? I have already suggested a range of programs that could be used. Mortgage interest payments over a fixed per cent—I suggest 8 per cent—could be deductible from income for tax purposes. Mortgages for new starts can be subsidized down to a fixed rate—here, again, I suggest 8 per cent—and an upper limit for each mortgage should of course be established. An investment tax credit could be given for funds directed entirely to mortgages. To help ensure the supply of serviced land, a fund could be established to provide low-cost loans to help municipalities in servicing and developing land.

We need to know what the government intends. Veiled and hazy comments about pleasant surprises to come are insufficient. Here, clearly, is a sector where specific, I might almost say concrete, government action is called for. We have heard rumours that new housing initiatives will be forthcoming. We await the completion of the dance of the mandarins to hear what they will tell the minister to say. But be forewarned. If the new strategy tries to take credit for the recycling of the approximately $300 million already budgeted but not yet allocated from Central Mortgage and Housing, we will see through the deception. The problem cannot be settled by a rehash; it requires new thinking and new commitment.

The debilitating effect of interest rates has crippled not only the housing sector but is also a major contributing factor in perpetuating our prolonged economic slump. Business just cannot afford to invest in plant and equipment at current rates of interest; the need for working capital must go unfulfilled. We must know what monetary policies the government intends to pursue. Legislated controls are now necessary to fight inflation, but the rest of the government's weaponry must be brought to bear—and we must know how it intends to use these weapons.

Without a substantial improvement in the growth of our real national output, the attack on inflationary pressures can only achieve momentary success at best. What plants, what incentives, what help does the government propose to increase productivity? Our economic malaise requires clear and direct action. Our productivity declines; perhaps most importantly of all, it declines in comparison with our trading partners. How long does the government intend to allow our relative competitiveness to fall back? Sure we import some of the world's inflationary pressures, but how long will we compound this folly at home? Unless the anti-inflation packages deals with this problem, it is woefully incomplete.

How does the government intend to get the economy moving? Our plants are working far below capacity. We have hundreds of thousands of unemployed. This cannot be ignored and it cannot be solved by the government's usual answer of printing more money. What fiscal policy will be used? We hear that government spending will be restrained. Where, and how? The details of this aspect of the government's program are just as important as the details on the operation of controls.

How will the deficit be brought under some reasonable control? A strong policy of spending restraint, with detailed guidelines, must be instituted immediately. The President of the Treasury Board (Mr. Chrétien) must act, and he must tell us immediately what that action will be. I have said that I want to support the government in its anti-inflation program, but that program must be a totality. No single initiative, however laudable, will suffice. I challenge the government to unveil the rest of its program.

Mr. Speaker, the country is looking for strong and immediate leadership in the war against inflation. But it also wants assurance that we are not about to see another 100 years war. I am skeptical that the weapons for battle

are provided by this legislation; I am fearful that the prolongation of the war is imbedded in this bill.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, having been out of action in the debating ring for a while, this is my first venture back into it and I assure hon. members that my comments in respect of Bill C-73 will not be unduly long, so that the leader of the New Democratic Party (Mr. Broadbent) will be able to be heard very shortly.

Mr. Nystrom: Can he have some of your time?

Mr. Penner: Certainly. I should say at the outset that all the many arguments that have been made in the past against economic controls probably could well be repeated in the debate on this bill and would still have a considerable amount of validity, depending on how those arguments were made. I made many of those arguments myself, having served on the committee on trends in food prices and having used them during the election campaign of 1974. I refer to such reservations as the possibility of very serious inequities resulting from a comprehensive policy of controls or even a limited policy of controls.

There is also the very great likelihood that controls could cause very serious dislocations in the economy, particularly on the supply side. I think these are some of the major reasons the government, quite properly, delayed making this momentous and even drastic decision until this time. The question now is why, at this moment, has the government made such a decision? I should like to come back to that point a little later. First, let me refer to my own view of controls. I have already indicated that I have argued against them. I still have reservations concerning them as, I believe, do many members.

During the late summer and early fall certain experts in our society began to look at the economy as it was functioning and a number of them reached a very radical decision about what must be done. I refer particularly to one man who influenced my thinking in this regard, Mr. Ian Macdonald, president of York University. Mr. Macdonald, who served as deputy treasurer of the province of Ontario, made several important speeches during this past summer and early fall. He emphasized, in a most convincing way, that now is the time for immediate wage and price controls to be introduced.

Mr. Baker (Grenville-Carleton): Did he mention John Turner?

Mr. Penner: You would have to ask the hon. member about that. At the moment I am talking about what influenced me. Mr. Macdonald said that to do nothing is to accept the harsh reality that we could have 10 per cent unemployment and 15 per cent inflation this winter. He indicated that he came most reluctantly to this decision about the need for wage and price controls. In his view, however, this was necessary in order to curb far more serious problems in our economy than we have at the present time.

I think this is the view that is now shared by the government. The government has reached the decision that we are entering at this moment a completely new economic era in Canadian history, and that unless strong measures are adopted and followed we could be heading for economic and social upheaval. The white paper which was introduced earlier expressed it very well in the following words:

● (1600)

> If this inflation continues or gets worse there is a grave danger that economic recovery will be stifled, unemployment increased and the nation subjected to mounting stresses and strains.

I have referred to the apprehension which members of parliament and others feel about controls. We know that there will be many vexations and annoyances as a result of this policy, and frustrations as well. Members of parliament will have to deal with these on behalf of individuals and groups in their constituencies. But the real question with which we have to struggle now is whether it is preferable that we live with these feelings and attitudes with respect to controls—feelings and attitudes which are not desirable and nobody would wish to encourage them—or to face what otherwise could take place, namely, economic and social chaos.

My most immediate concern about the selective controls policy of the government has to do with the transition period. I listened carefully to the hon. member for Kingston and the Islands (Miss MacDonald) who advocated that the government be tough, that they take as hard a line as they possibly can and not yield to any kind of concessions that some groups in our society may feel that they can justifiably make. I am not able to adopt such a hard-line approach; it seems to me to be callous and rather unfeeling and not to take into account that there are groups in our society who are caught in a very difficult situation in this transition period.

For example, there are groups that have been in the process of bargaining with their employers. These collective bargaining negotiations have either broken down, or in some cases have continued but without much progress having been made. Surely some consideration has to be given to these people, and some flexibility has to be present so that they will not find themselves largely out of step with their fellow workers.

I am thinking, in particular, of the pulp and paper workers in northern Ontario. Many of these people have been trying to bargain in good faith for what they estimated the industry could afford to pay them. They were looking at the expected profits of the industry, and I think they bargained as best they could. The industry, however, decided that they were going to take a strong stand and as a result there were very few settlements. Now the workers find themselves caught in this transition period. What are we to say to them? That they should not continue with their bargaining; that it is all cut and dried; that it is set; that it has been decided for them by the government? Or should we, rather, look at what the white paper says, namely, that there is some room here, some flexibility, taking into account historic patterns and relationships, so that they do not have to fall out of line with their fellow workers?

There is another group caught in a similar situation—the secondary school teachers in the province of Ontario. They find that their colleagues who are elementary school teachers have made settlements. There has always been a

salary relationship between those who teach at the elementary level and those in secondary schools.

Mr. Broadbent: You have a conflict of interest there.

Mr. Penner: Who does not?

Some hon. Members: Oh, oh!

Mr. Penner: The conflict is more apparent than real, at the moment anyway. I am concerned that this relationship between settlements which elementary school teachers have made already and what secondary school teachers have expected should follow through.

Probably it could be asked, why are we in the federal parliament talking about secondary school teachers, since this is a provincial responsibility and the provinces will have to work that out, being aware of the federal guidelines? However, we know that in the province of Ontario, at any rate, the problem will be thrown squarely upon us because of the current political situation in the Ontario legislature. This is bound to be a political hot potato, but they have decided to throw it our way and let us solve it—or, more properly, the Anti-inflation Review Board must solve the problem.

So, then, here is another group of people who are in a difficult situation, and I do not think we can take a hard-nosed attitude such as that taken by the hon. member for Kingston and the Islands and allow inequities to exist because we want to be tough and because if we do not, the program is bound to fail. I do not take that position at all. I think there are good grounds for certain exceptions to be made in the transition period because, as the white paper says, there are long-established, historic relationships between wages of closely related groups and other special cases of equity. This seems to be a catch-all phrase which means that if the Anti-Inflation Review Board is fair and takes into account the good arguments that can be made by, for example, the pulp and paper workers and by the secondary school teachers in Ontario, then there will be some room in this transition period to remove some of the inequities about which I am concerned.

I will turn now to the principle of Bill C-73 and to my thoughts on controls. I have indicated already that some of my thinking has changed with respect to controls, and I mentioned the arguments of Mr. Ian Macdonald.

Some hon. Members: Oh, oh!

Mr. Broadbent: I hope so.

Mr. Penner: If it is a sin or a crime to be a thinker, then I am guilty.

Mr. Macdonald (Rosedale): Hear, hear!

Mr. Penner: During the summer I read the speeches of the president of York University, a man whose credentials, it seems to me, are good ones. Members of parliament would be well advised to read what he has said. In addition, I read the OECD report on the Canadian economy, which was another factor that influenced my thinking about the need for something drastic to be done with respect to the Canadian economy, some kind of shock therapy that needed to be introduced in order that we could do something about the serious economic situation.

Mr. Broadbent: Shock therapy frequently kills the patient.

Mr. Penner: I will be listening to the leader of the NDP shortly. I am always interested in what he has to say, and I will listen to him carefully. I find it difficult to hear what he is saying now over the sound of my own voice. If he wants to say something, I will pause for a moment so I can hear him, or perhaps he could make his comments later.

The other document that influenced my thinking was the report on Canada of the Organization for Economic Co-operation and Development. This report refers to the decline in real output in Canada during 1975—something that has been talked about a great deal—and the fact that productivity has fallen. I do not know all the reasons for productivity having dropped; how much of it is due to what goes on within the factory or plant and how much has to do with the kind of markets available to Canada. At any rate, there is a decline in real output, and this is serious. The report talks about the likelihood of unemployment rising to over 8 per cent, and of course everyone is concerned about that.

● (1610)

There is the possibility of a huge trade deficit. The OECD report talks about a deficit that could go as high as $5 billion or $6 billion, compared to the $1.2 billion of 1974. It is futile to lash out at the government for this trade deficit because we are all aware of the factors that have brought it about: those nations which had to spend an increasingly high proportion of their national income on energy have had less money available for the other things that we would have liked to sell them. There is no point in blaming the government for this situation. It is a problem that we have had to live with and it is part of this new economic era that has been referred to which calls now for some kind of radical policy, a shock therapy policy.

Part of this debate on Bill C-73 revolves around the question of whether controls are warranted now, when they were not warranted before. I think the answer to that question is clearly yes, they are warranted now and they were not warranted previously. That is because of the combination that was referred to in the OECD report—a large external deficit, rising unemployment and sluggish economic activity, together with stubbornly high rates of inflation. It is the latter factor that helps complicate the whole situation—overreach and overkill are aggravating all the other negative aspects within the economy and therefore it calls for strong, decisive, determined government action so that the psychology of inflation can be brought to a halt.

Mr. Baker (Grenville-Carleton): Are you not really saying the government was wrong in 1974?

Mr. Penner: You were not listening to my comments.

The Acting Speaker (Mr. Turner (London East)): Order, please. Please address the Chair.

Mr. Penner: I said quite clearly, Mr. Speaker, that a combination of factors has warranted the action of the government at this moment, when that same action was not warranted previously. If I have not made this argument to the complete satisfaction of the hon. member for Grenville-Carleton (Mr. Baker), I will have to let it go and let other members attempt it.

The OECD report emphasized that while a voluntary period of restraint is clearly preferable—and that is the view that the government took—it may be desirable to use legislation if agreement among the parties could not be reached quickly. That is exactly the situation that occurred: a determined effort, a hardworking effort was made to bring about voluntary restraint, but that did not work so the government took the next logical step, which was to introduce legislation. That is exactly what the OECD report recommended ought to be done in Canada.

The report goes on to say that although there are inevitable difficulties in introducing a prices and incomes policy, the general economic environment should be more conducive to the successful operation of such a policy now than has been the case for a number of years. So the argument can be made, and we can meet it head on, that there are good and justifiable reasons for this kind of economic policy now, when there were not as good and justifiable reasons six months or a year ago. I think there are. The government does have the supporting argument that now is the right time for controls, when such might not have been the case in the past.

It has been pointed out by some that the economy is now on the upturn, that there are some factors which indicate that productivity is up and that the gross product will increase. Then why do we need controls at this time? Is it not the wrong time to bring them in, when there are some signs that we are in an upturn: surely, some have said, it would be better to have a continuing laissez faire economic policy with respect to incomes and prices, and the end that we all want to see achieved will come naturally. If I may return to the OECD report, it suggests that increasing economic growth is not at all incompatible with anti-inflationary policies; in other words, they do not work against one another but they can work together. They are compatible and can achieve the same ends, and achieve them more quickly. In fact, the two things together—stronger expansion along with an anti-inflationary program—can work to reduce costs and price pressures, particularly if both are associated with marked improvement in productivity. That is a third element, our rate of productivity must increase along with the upturn and the anti-inflationary program.

To a great extent, the success of the government's anti-inflationary program will depend on what happens to prices in the supermarket and what happens in the housing sector. These are the final two points I wish to mention. I want this program to succeed, naturally. I want it to accomplish what the government hopes it will accomplish to break the inflationary psychology; to bring us to our senses so that we will not continue to take more out of the economy than there is in it. If it is to succeed, if the citizens of the country are to accept it, its success depends to a certain extent upon what happens in the supermarket and in the housing sector.

No one disagrees that our primary producers must be encouraged to continue to produce all the commodities we need for our tables and that they must produce them efficiently. I am quite convinced, however, that the consumers of this country want an assurance that the primary producers of Canada will follow the general principle enunciated in the white paper on the attack on inflation; that is, that their increases will reflect only legitimate costs incurred, and nothing more.

Everyone knows that there has been a good, healthy turn-around in farm income in the last number of years and that farmers who were not getting their fair share of the economic pie in the past have now been doing much better. I suppose it could be debated endlessly whether they are doing well enough. At the present time, however, consumers will not be at all happy if the primary producers expect to get more than their own particular increases in costs. If they pass along more than that, there will be a considerable amount of unhappiness.

The suggestion that the Anti-Inflation Board will look at marketing boards should come as welcome news to all of us.

Mr. Baker (Grenville-Carleton): To everyone except Eugene Whelan.

Mr. Penner: He can make his own arguments.

Mr. Baker (Grenville-Carleton): He did.

Mr. Penner: The operation of marketing boards is a relatively new area in Canada. No one is quite sure to what extent they really benefit the primary producer and to what extent they may simply be subsidizing inefficient operations, or even to what extent the consumer is having to pay for all this. I am pleased that the Anti-Inflation Board is going to look at the question carefully, and I think consumers will demand that much from it.

The second area I mentioned is the housing sector. I was impressed with the recent report of the C. D. Howe Research Institute on housing which seriously questions some of the existing housing programs in Canada.

Mr. Broadbent: I can imagine.

Mr. Penner: When we are talking about housing in Canada, we are talking about a very relative situation. We all know this is still the country with the best housing in the world. I think we realize that we are the best housed people in the world and we should all take justifiable pride in the quality and standard of our housing. If we are not happy about our housing, if we criticize certain aspects of housing, we must criticize it in the context that we have done well in the last few years. This is not to suggest that we cannot do better.

● (1620)

The C. D. Howe report talks about the futility of encouraging demand when the rate of new supply has been declining. It refers to the encouragement being given to first-time buyers. One thing can be said about federal grants to first-time homeowners: they were directed to people in the greatest need. Other provincial programs were more all-encompassing, and as such were hand-outs

to those who did not need that type of assistance. Do we want to encourage demand? Do we want to encourage people already adequately housed to look for something better? I suggest that such a policy of encouragement at this moment, when the rate of new supply has been decreasing, is not good. The C. D. Howe report suggests that governments should do much more to increase the supply of housing and to place less emphasis on the demand side.

The OECD report to which I referred stated that an immediate recovery in the economy would best be promoted by giving priority to residential housing and to business fixed investment. Hon. members no doubt want to hear from the Minister of State for Urban Affairs who is preparing new policies and programs which will do exactly what is recommended by the various reports just referred to.

To sum up, the government's anti-inflation program may be regarded as regrettable, but conditions which make necessary this kind of policy are there. The conditions of overreach, of overkill, have made necessary such a farreaching policy and new intrusion of government into the free market economy of Canada. But the policy is demanded by the circumstances, circumstances which speak for themselves. The transition period will be tricky, and a satisfactory way must be found to resolve any serious inequities. My confidence in the government and in the people who will serve on the review board is great enough to lead me to think that these inequities will be dealt with.

On Wednesday afternoon my colleagues and I will meet with pulp and paper workers of northwestern Ontario to talk about the situation in which they find themselves in this transition period.

Mr. Baker (Grenville-Carleton): I hope they share the hon. member's confidence.

Mr. Penner: I hope so, too. I think there is every reason for them to share that confidence. The government's program must succeed. Its success will be assured if the rate of increase in food prices is moderated, if there is a good supply of adequate housing and if we pass through the transition period without causing inequities which would otherwise be perpetuated well into 1976 and during the remaining period in which the controls program will be in existence.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, last Tuesday when I spoke on behalf of the NDP on the white paper I said that in our view the government's proposals for controlling prices and wages were unfair and unworkable. In the last week I have listened carefully to the minister and the Prime Minister (Mr. Trudeau) explaining and justifying the program, and I must say that my conclusion will not surprise my political opponents: I think my original position was right and my party was right in saying that the controls are unfair and unworkable.

In the last 72 hours the minister has made himself readily available to the media, so much so that he has been willing to talk almost at the drop of any microphone, so to speak. For that reason alone, I am suspicious about the government's confidence in their own program. I saw the minister on television, on "W-5". He was on the CBC radio program "Cross-Canada Check-up". He wrote an article in the Toronto *Star* and appeared last night, on behalf of the Liberal party, on the television program "The Nation's Business". Yet in none of these programs or articles has the minister really dealt with the crucial questions raised about the controls program. He has not made his case for their need. Neither during the debate so far nor during the weekend has he dealt with the alleged cost-push factor and why we need such controls.

As I say, he did not deal with that at all. There is a two-paragraph reference only to this subject. He did not deal with the issue in terms of increasing labour costs on the one hand, or in terms of our supposed trade problems on the other. He made passing references only to both of these subjects. They surely are a precondition for this kind of program. Nor did he allay fears expressed not exclusively by my party but by a good number of Canadians across this country about the unfairness and unworkable nature of his own proposals.

This afternoon I will not travel over ground I travelled over last Tuesday. Nor will I repeat what the hon. member for Yorkton-Melville (Mr. Nystrom) said on behalf of the NDP. Instead, I shall deal with the principle arguments the minister continues to put forward to justify his program. First, the minister emphasized in his article in the Toronto *Star*, in his television performance following the national news last night and on the television program "W-5" the same evening, that the program is intended primarily to benefit people on low and fixed incomes. Clearly, that is the message he wanted to convey to the people of Canada. I begin by saying that if the program achieves this, the minister will have done something remarkable; he will have done something to justify the hon. member who just spoke. In other words, the Liberal party will have taken a 180-degree turn and changed its direction of one year ago. I remind the hon. member and the minister that, speaking about this program during the past year, the Prime Minister has said that the group which would be most seriously negatively—not positively—affected in Canada by these kinds of controls would be the weak and the poor. In 1974 the Prime Minister said that these people would be most hurt under such a program.

This specific kind of program was dealt with in general statements made by the Prime Minister. I suggest that the program will most seriously affect negatively, contrary to what the minister has said during the past 48 hours, that same group. About whom are we talking? We are talking about the poor or, to use the words the minister used last night on television, the small people or little people. I do not particularly care about the term, but we know what it means: it means low income people. They are either working poor people or pensioners. Consider how this specific program is to affect such people. First, what is the government doing for workers in the labour market but living at the poverty level? I remind you that the federal minimum wage provides a worker in Canada with only $5,400 annually. Madam Speaker, $5,400 a year is paid for those earning the minimum wage set this government. That, by the way, is $2,400 less than the poverty level for a family of four: the current estimate for the poverty level for a family of four in Canada is $7,871. We now have a federal minimum wage for workers in Canada that is $2,400 below

the poverty level for a family of four. If the government had wanted to do something about this category of worker, they would have done something directly. They would have at least increased their own minimum wage. However, there is not a thing in the program about increasing the federal minimum wage.

● (1630)

There is no suggestion that the provinces, which are part of the package, should increase their minimum wage. Many of the provinces, which in terms of resources are much poorer than the federal government, have even lower wages. The federal government did not do anything about increasing the minimum wage at the federal level. Nor did they suggest to the provinces that was the least they could do for workers under their jurisdiction.

The proposed guideline of $600 at the bottom level is not mandatory. There is no requirement that all workers will get it. It is only if the workers are lucky. If, for example, they have an employer who is benevolent after the controls in a way that he was not before, and gives the workers the $600 increase, they will get it. However, there is no reason to believe they will get the $600 today if a week ago the employer would not have thought of passing it on to them.

Because the minister has put controls on the trade union sector, the effective following up of wage gains in the non-trade union sector that has traditionally taken place simply will not happen now. The organized workers, whether they be in Atlantic Canada, central Canada or the west, have set patterns for the unorganized workers. By indirect effect, they have caused increases to be passed on to them that they otherwise would not have got. This is because of the initiative taken in the collective bargaining sector.

Precisely because the minister has now put effective controls on the bargaining sector to ensure they do not go above 8 or 10 per cent, there is an even greater likelihood that all those men and women outside the trade union movement will have lower increases than would otherwise have been the case. I repeat, they have no one to bargain for them. With the controls being put on the trade union movement, the example-setting precedent in terms of wage demands has been taken away. The government has indirectly done more harm to unorganized workers because they have not made mandatory increases in the minimum wage at either the federal or provincial level which would have been some kind of compensation.

The second point I would like to make is in terms of the guideline for those firms employing 500 people or less. Everywhere east of the province of Quebec I would guess that between 80 and 90 per cent of firms employ fewer than 500 people. The government has given the moral and legal authority to companies in the whole of Atlantic Canada to keep their wages even lower because most of those companies employ 500 or fewer people. Most of those companies do not have trade unions. The working people have no effective representation in arguing for improvements in their working conditions, including wages. This program will give employers in Atlantic Canada a very effective weapon to keep wages down.

The government should be more concerned about the non-unionized worker in Canada. The Minister of Labour (Mr. Munro) is addressing trade union meetings in Ontario and elsewhere in Canada, urging compliance with the program. I am not in any way suggesting that they should defy the law. However, instead of his concentrating on urging them to comply with the guidelines, it would make much more sense if he would travel around Ontario and other parts of the country urging the formation of trade unions. He should be doing this in Atlantic Canada and in other places where the trade union movement is not strong or is non-existent. Urging the formation of trade unions would do far more good for the ordinary workers than a thousand speeches to existing trade unions urging compliance with the guidelines.

If the government had been really concerned about the work force, they would have made specific proposals to raise minimum wages at the federal and the provincial levels. They would have ensured that the suggested minimums were at least passed on to those workers at the bottom of the scale. There is no such requirement. The government should do something about promoting the organization of unorganized workers. There is nothing in this program that will positively affect unorganized workers in Canada.

What about pensioners, another group that presumably is included in the minister's description of lower income people? I point out that a single pensioner in Canada receiving the regular pension plus the supplement receives only $219.96 a month, or just over $2,400 a year. That is all we give a pensioner in Canada in October, 1975. The poverty level for a single individual in Canada is $3,372, about $1,000 more than we give to a single pensioner. Is there anything in this program that is of direct benefit to a pensioner? Is there any suggestion that the rest of us, including individuals and corporations, will have a substantial tax increase in order to make it easier for the pensioner? There is nothing in the program that will alter the circumstances of a pensioner.

It is ironic, with sad overtones, that the maximum pension a person in Canada can get, if he does not have a private pension, is about what the salary increase will be for an MP and, in fact, the increase permitted to all people in all upper income groups—$2,400. Many of us will get an increase this year which is permitted within the guidelines of this program that is equivalent to the total paid to Canada's pensioners. Something is profoundly wrong when we have that kind of maldistribution of income.

● (1640)

Also, something is obviously wrong when we find the minister justifying his program and saying that the people with the lowest incomes are those who will be the prime beneficiaries. We reject that contention. We rejected it last Tuesday as being unfair, and the minister has said nothing since then which alters that judgment.

Let me deal with one argument I suspect he might make; he did refer to it earlier today. He said that if the government is effective in bringing down the cost of living through his program, then those at the bottom end of the scale would benefit. Of course they would benefit if we reduced the cost of living, but the point is they would not benefit any more than anyone else; in fact, since most of those with higher incomes spend more in dollar terms

than they do, the people with higher incomes would benefit more.

So I think it is a specious argument to assert that the prime beneficiaries of this program would be the poor. If there is to be any benefit at all—and I think the benefit will be negligible—we will all get it. The government has done nothing on the positive side to benefit the poorer sections of the community, as any kind of incomes policy would have to do in order to get the support of the NDP. I refer to the minister's speech on Friday when, addressing himself to this question of fairness, he stated, "It is one thing to acknowledge this goal; it is another thing to observe it in practice." I agree entirely. The point I am making is that the Liberals have historically acknowledged such a goal; where they have been short is in the practice, and we find this well illustrated in the program they are urging us to accept.

Not only on the ground of equity should there be some redistributing element in this program, though that, of course, is important in itself. I say to the minister that in terms of making the program workable in the community, its provisions should be fair and equitable, because the people will not agree to accept some kind of sacrifice unless they are convinced that a sense of national fairness is built into the whole program.

What about the price control aspect? As was evident from the criticisms which I and others expressed last week, we do not believe the approach taken by the government in dealing with prices is effective. I do not intend to repeat all the arguments I made last week. We do believe that no government which set up a scheme to control prices indirectly through the control of profits could avoid a number of loopholes of which clever accountants or corporation lawyers could take advantage. We do not contend that because of such a possibility no attempt should be made to use this kind of mechanism. Indeed, as the minister pointed out, the NDP has commended this approach as one we would use. Nevertheless, I repeat it is extremely difficult to ensure its effectiveness since we are dealing here with an indirect control over prices. Corporations can hide their profits in all kinds of ways, hiring the best accountants and lawyers money can buy to enable them to make use of legitimate loopholes.

Aside from these considerations, there is in the white paper itself—and the effect will be apparent in the operations of the Anti-Inflation Board—a loophole to end all loopholes. It is expressed at page 19 of the white paper and I will read it because it undermines everything else which has been said about controlling prices through profit control. The last paragraph on page 19 provides for exceptions in the program. Let me read it:

> A firm will be regarded as having acted in accordance with the program if its profit per unit of output or percentage net profit margin exceeded the guidelines as a result of unusual productivity gains resulting from the efforts of the firm, or of favourable cost developments which could not reasonably have been anticipated.

In other words, if there are gains through unusual productivity, a firm does not have to obey the profit guidelines. The same applies if there have been favourable cost developments which could not reasonably have been anticipated. The government has been telling us that it has established profit guidelines applicable to most of the corporations which would indirectly benefit the consumer since the corporations will be able to work only within a limited profit mark-up range. What they are saying here is that any firm which increases its productivity, or discovers some favourable cost development which could not have been reasonably anticipated, will be exempt from the guidelines.

I will say nothing now about the range of questions which could come before the courts, the disputes which would take months or years to resolve. I ask the minister simply: Will General Motors, will Weston's, will any large corporation in Canada find itself unable to take advantage of these loopholes? Surely, any corporate executive will argue, when any kind of cost benefit has been received, that it had not been anticipated. Who will prove the contrary? Will psychoanalysts be travelling about the country in an attempt to read the minds of directors of these various companies to see if cost benefits had been anticipated? As though the other loopholes were not big enough, they have added this catch-all which I suggest will let every corporation in Canada off the hook.

For these reasons, I repeat that there is no prospect in this legislation of effective price control, and any program of control which limits salaries and wages in the absence of price control is a totally deficient program and one which is unworthy of support by the House of Commons.

I wish to reply briefly to the criticism made of myself and the New Democratic Party in the House on Friday. The minister said there was no one who could speak with less credibility than the NDP in criticizing the government's approach to dealing with inflation. The reason, he said, was that the NDP had itself proposed the establishment of a prices review board. The hon. gentleman quoted some of my speeches as well as speeches made by the former leader of this party, Mr. David Lewis, and he stated, accurately, that in the 1974 election we had advocated the setting up of a prices review board as a major instrument for dealing with inflation. So he says, in a classical non sequitur—quite normal for a Liberal cabinet minister—that because we came up with the original idea, it is rather absurd, or perhaps hypocritical, of us now to criticize what the dear old Liberals are doing with it.

● (1650)

I should like to cite a few more examples of NDP ideas that have been taken over and bastardized by the Liberals—and this gem that they have come up with is a perfect historical example of what they normally do. You may recall, Madam Speaker, that it was the New Democratic Party who originally proposed the Canada Development Corporation. We proposed that it be publicly-owned and controlled, one that would operate independently of the marketplace. I would remind the hon. member that in our founding convention back in 1961, before even dear old Walter Gordon heard of this idea, this corporation was advocated by the New Democratic Party. Then the Liberals took it up and it was made an instrument for selling off at least the successful Crown corporations to the private sector. We do not support that. As originally proposed by us, the idea was a good one. As implemented by the Liberals, it was not.

Then during the minority government days, when the Liberals were under pressure, they set up a national

petroleum corporation advocated by us. The NDP saw that as the first step in a series that would lead to a total public ownership and control of Canada's petroleum resources. How do the Liberals see this national petroleum corporation? They have already cut back on last year's budget. They took the guts out of the corporation by significantly reducing its budget, and it will play a very minor role in the petroleum sector. It will amount to nothing.

The point I am making, Madam Speaker, is that just because the New Democratic Party comes up with an idea and a name, it does not mean that the Liberals, when they take over the name, also take over the idea. In fact, they are pastmasters of doing the very opposite: they retain the name and the propaganda, but take the guts out of the idea. I suggest that this is what they have done with the Anti-Inflation Board. We proposed such an idea and said that one aspect of the powers of the board could be to order rollbacks in certain sectors of the economy. When the minister attacked us for neglecting our own policy, what he failed to mention in his speech was that we also said that for such a board to be operative, both in terms of holding down prices and minimizing the extent of the bureaucracy required, there should be a number of price freezes, that would come in automatically when the board was set up, in a number of key sectors of the economy. These were spelled out to the minister in speeches by David Lewis and by myself in the past. I do not know why the minister neglected to mention that. He may have neglected to mention it precisely because this government has not ordered any price freeze in any sector. Dealing with price increases is left entirely to the so-called profit control mechanism.

Once again the Liberals have taken a New Democratic Party idea that made some sense in regard to controlling price increases, an idea that said that in key sectors of the economy a freeze should be applied, with the corporations having to justify increases. But this idea has been turned upside down. In true historical fashion, the Liberals have turned the idea on its head. They have selected a number of sectors and let the corporations increase prices, making the people, via a government agency, justify any order for a rollback. We put the onus on the corporations. They put it on the people. It is this kind of approach that will require many more bureaucrats than would have been the case with our proposal. The way we see the board function is to put the onus on the corporations, as is the case now, for example, with Bell Canada, to justify any price increase. If they cannot be justified, then the increases would not be permitted.

Having talked about the prices proposal and why we think this board will be ineffective and the wage proposal unfair, I now want to say that one of the preconditions that the minister and the Prime Minister have talked about in the past in terms of such a program being effective—quite apart from its technical details—is that a board cross-section of the community would have to find it acceptable.

In his speech on Friday the minister said he welcomed the "generally strong support" that the program had received in Canada. Well, I do not know where he got that, whether he was talking to the members of his own family, or maybe talking to the converts in the Liberal party caucus who are suddenly committed to the idea. I listened to "Cross Canada Check-up" and I have been reading the press and taking part in open-line radio programs, but I do not find widespread acceptance of this program. I do not find it for the reasons that have already been alluded to: it is full of inequities; it is full of conditions that will make it not only unfair but unworkable. Therefore, I say to the minister that one of the preconditions that he has set for a workable program, namely, that it will have widespread public acceptance, simply does not exist. If anything, I judge right now that there are more people in Canada opposed to the program than in support of it.

This means that in the days ahead the minister is going to have a lot of trouble. There is no feeling at all in Canada, in our view, that this program will gain acceptance, and the reason is that it is a program that does not deserve to gain acceptance.

[*Translation*]

The Acting Speaker (Mrs. Morin): Before recognizing the hon. member for Drummond (Mr. Pinard), I would like to list the questions to be debated tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—National Revenue—Proposal to obtain building from Air Canada for computer centre in Winnipeg—Request for report; the hon. member for Victoria (Mr. McKinnon)—National Defence—Effect of anti-inflation program on choice of long range patrol aircraft; the hon. member for Carleton-Charlotte (Mr. McCain)—Penitentiaries—Proposed institution at Morna, New Brunswick—Government position in view of objections.

GOVERNMENT ORDERS

[*Translation*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Anti-Inflation Act

Mr. Yvon Pinard (Drummond): Madam Speaker, it is quite praiseworthy for the Canadian government to tackle immediately and vigorously the serious problem of inflation. It is essential that all Canadians not only realize the grave danger threatening our economy but that they voluntarily and consciously join the government in its efforts to control the inflation cycle.

During the past few years and especially in recent months we have witnessed frantic competition to obtain the highest profits, prices and salaries without any noticeable improvement in living conditions and the general quality of life in Canada.

● (1700)

One result of those unchecked increases was to make the cost of living rise considerably and another, to allow some fortunate people get profit margins or raises in salary that were appropriate and often more than enough to face the same cost of living, most of the time at the expense of small and medium-size businesses, small businessmen and low-wage earners, less able to defend themselves against rampant inflation.

Moreover there is not doubt that higher production costs and unrestrained price hikes are destroying the country's capacity for effectively competing on the international market. I say all that to point out that inflation is a present and growing evil in our society and that its ill-effects have repercussions on each individual's life. If, therefore, it is true that the fight against inflation has become the "business" and requires the co-operation of each Canadian, I think the present Bill C-73 has all necessary elements to recruit... successfully the majority of Canadians, without necessarily resorting to a true freeze of all wages and prices for a short period between 60 and 90 days, as previously suggested by the Progressive Conservative Party, the massive issuing of dollars by the Bank of Canada for a so-called compensated discount—which by the way means absolutely nothing and is apparently understood only by the misunderstood—as suggested by the Social Credit Party of Canada, or the killing of the private sector and the remuneration by the state without regard for competence and initiative, as suggested by the New Democratic Party.

This is a policy which is more adaptable and respectful of rights and reality: a selective control of benefit margins, prices, dividends and wages in Canada, which permits on the one hand the industry to spur production and, on the other hand, workers to keep their jobs, earn sufficiently more to meet the cost of living increase and, as consumers, to see a gradual softening of the substantial price hikes we have known.

Many Canadians are prepared to give up more substantial salary increases provided their purchasing power becomes larger and larger; indeed what is the use of getting a 25 per cent salary boost when at the same time you have to meet a 40 or 50 per cent consumer price rise and even more? If we can prove with the good administration of this anti-inflation legislation along those next three years that salary increases limited to 8, 10 or 12 per cent, as the case may be, do spell better purchasing power—taking into account simultaneous controls over profits and prices—and therefore improved quality of life for Canadians as a whole, the Trudeau government will be said to have taken the lead at the right moment and in an efficient way to straighten the economy of this country, for is it necessary to add that this government, as it should, is showing itself ready to curb substantially its own expenses.

[The Acting Speaker (Mrs. Morin).]

However, this vast attack on inflation should not be made at the expense of small earners who were not lucky enough to get a new labour contract or a reasonable salary raise before the critical date of October 14, 1975. It may be difficult to put into the legislation or its regulations special provisions and variable standards to provide for regional disparities. It is nonetheless essential not to condemn those with really low salaries to near poverty for three years.

It would be unfair for those underprivileged to retain for another three years that unenviable status, when this government, through its various departments and specially that of Regional Economic Expansion, has made so many efforts, and still does, to fight against regional disparities. To my mind, the low-wage earner, the small and average businesses in the areas of slow economic growth, should be granted the same protection as farmers to whom the provisions of the anti-inflation act do not apply.

Though it be true that consumer price and rent controls protect the less fortunate, people who live on a fixed income such as pensioners, we must continue to improve the lot of the poor; the fight against inflation must be waged above all "on the backs" of those who encouraged it most, that is, big business with its excessive profits, and those who managed to inflate their incomes beyond reason.

The bill and its regulations can and do give in fact considerable latitude and discretion to the Anti-Inflation Board, chaired by my distinguished predecessor as hon. member for the constituency of Drummond in this House, the Hon. Jean-Luc Pepin, who by the way resigned from all the positions he had up to now to be able to devote himself to the Anti-Inflation Board without conflict of interest. In the white paper "Attack on Inflation" which was tabled in the House of Commons last Tuesday, it is said on page 22, and I quote:

> Future increases provided for in contracts and agreements in force as of October 14, 1975 including cost-of-living adjustments, will be exempt from the guidelines. Where agreement has been reached by October 14, 1975 on compensation increases to be incorporated in new contracts, such increases will also be exempt from the guidelines. Special consideration will be given to those cases where contracts have expired and negotiations are underway, where the expired contract was signed prior to the beginning of 1974.

In the same white paper, on page 26, we can read, and I quote:

> There will, therefore, be exceptions to the above guidelines. If an employer can demonstrate that he cannot attract or hold workers at existing wages and that an increase above the guidelines is necessary, the employer will not be regarded as having breached the guidelines.
>
> There may also be other grounds for exceptions, such as increases necessary to maintain long-established historical relationships between wages in closely related groups and other special cases of equity. Employers may also grant increases in compensation above the guidelines if such increases result from taking measures to improve the health or safety of the employees while at work, to eliminate restrictive work practices, to offset experience deficiencies in pension funds, or to eliminate sex discrimination in pay practices.

Thus I wish all the regulations and all the powers of the Anti-Inflation Board will indeed allow those in regions of low economic growth to catch up where wages are, by far, under the national average; at the same time, of course, the Department of Regional Economic Expansion must not be the one affected by cuts in government expenditures, in order to give employers in disadvantaged regions the means to close the gap.

I have no reason for not voicing full confidence in the Minister of Finance (Mr. Macdonald) who, in his speech last Friday in this House, clearly indicated that he really intended to protect those I just defended.

The important point is to convince the obstinate circles that the war against inflation will not be waged on the backs of the low-income earners and to be prepared to amend the wording of the act or of its regulations, if need be, in order that there remain no doubt about it.

● (1710)

If this confidence can be won, everything will be all right and the fight against inflation will prove effective as people will not hesitate to unite and cooperate, in spite of the sacrifices this means within the framework of an act which is fair byt has teeth. Surely there will always be protesters, be they reactionaries, party followers or frustated people but their negative, selfish and antisocial response will not deter sensible Canadians, namely the majority of the people who expect their government to take a decisive and fair action in the present circumstances, thereby providing genuine and timely leadership.

Mr. Claude Wagner (Saint-Hyacinthe): Madam Speaker, I am pleased to follow at this point the hon. member for Drummond (Mr. Pinard) who just sounded the alarm with barely obscured words and just indicated to the government the dangers facing the Canadian society with that program put forward by the Liberal administration. I am quite pleased that the hon. member for Drummond pointed out its gaps and expressed wishes. He even suggested the possibility of amendments.

Madam Speaker, we are in full economic crisis. We have been in it for already too long. And I assure you that I do not intend to treat you with a dissertation.

I imagine that those who are used to looking at the debates of this House, specially those gentlemen of the press, have seen all sorts of them. We witnessed sometimes dramatic sometimes absolutely ridiculous performances. I imagine that today we might have surpassed everything seen before. Observers are looking at a government team which from the first to the back benches must feel extremely embarrassed to bring in today a program they condemned so much not too long ago, to embrace today what they disowned not too long ago. And the color appearing on their faces, Madam Speaker, is simply not the color of their political party—

Mr. Guay (St. Boniface): He dreams in pink.

Mr. Wagner: It is an indication of what they feel down deep inside.

It is certain that we are determined to overcome the scourge of inflation that is eating at the very heart of society. We who have been in the official opposition for already a long time are fighting to bring this government to introduce steps that can lick inflation. We know what impact the cost of living can have on small businesses, the weak, underprivileged workers, contractors left to fend for themselves, people who are not unionized, particularly families.

Mr. Guay (St. Boniface): He speaks like a bishop. I would ask the hon. member not to forget Cardinal Léger.

Mr. Wagner: I hear the whip of the party opposite saying, do not forget Cardinal Léger. Not even Cardinal Léger! I am not forgetting particularly families which are affected by the high cost of living, and I point out, Madam Speaker, that at no time during his palaver of some 20 minutes on television the other night did the Prime Minister dare mention the word "family". Nevertheless it is the very cell of our economic community.

Therefore, we also want to fight. We hope that Canadians in all provinces will co-operate so that the proposed measures will somewhat control the excessive cost of living. On the other hand, we have no right to remain silent. We have to expose the ridiculous contrast between the Prime Minister's performance who for a year and a half has allowed the economy of the country to drift as a result of his spinelessness, his helplessness to tackle the real causes. And suddenly at the last minute, perhaps as the result of some divine inspiration, he comes forth with what he believes to be a proof of leadership.

Madam Speaker, it is rather difficult to excuse the government policy of inaction in recent years. It is rather difficult to tell them today: You have done very well at the last moment and you were quite outstanding before! I know that before such a performance, such a cynical, Machiavellian and hypocritical reversal of policy, Canadians in every region of the country will be disgusted, and if they are prepared to follow suit and comply with the proposed guidelines, it is not through affection for the government. It is not because they have any faith in this government. On the contrary, its credibility is deteriorating from day to day. One cannot help it if people are sometimes cynical when they are faced with public men and governments such as they have today who take such an attitude.

I say to you, Madam Speaker, that I still recall statements made in this House at the time of the May 1974 budget when the Prime Minister spoke on the famous Turner budget, and I quote:

> This budget does not take the easy way. We want, not the easy way that the doctrinaire NDP or the controllers of wages on the Tory side want, but one which will keep the economy operating as the number one economy in the world.

The same Prime Minister on the same date, May 7, 1974, stated in this House and I quote:

> It is true that our attack on inflation is not a simple one. It is a complex one. It is a complex solution to a complex problem. We certainly reject the simple, and perhaps simple-minded, approach that has been brought to bear by the opposition on this question. These Tory controls would control the wages of the workingman. Prices have already risen very high, and controls will not bring them down. If you freeze high prices, there are still high prices; but if you freeze wages, there are still low wages.

And during the electoral campaign that followed, Madam Speaker, this Prime Minister's colleagues repeated the series of statements that will now pass on the political history of our country as being the most irresponsible and

the most hypocritical statements ever formulated in Canada.

● (1720)

On June 11, 1974, there was a big meeting in the riding of Saint-Hyacinthe. It was held in Marieville and 60 people were assembled in the yard, in the hall of the Marieville school to listen to the former Minister of Communications. Most of them were election organizers and returning officers in Marieville. They heard the Minister of Communications say:

Inflation is essentially an international problem and—

His words must still echo in their minds—

—and nothing can be done about the price of oranges and bananas.

Madam Speaker, there was a banana peel waiting for the minister's successor in the riding of Hochelaga. That was realized last Tuesday. I cannot resist pointing out the grand statement from the godfather of federal Liberals in Quebec, the Minister of National Health and Welfare (Mr. Lalonde), because he also has been slapped in the face in Hochelaga, and I am not referring to the scolding he received from his colleagues in the caucus. His colleagues were quite surprised to realize that the leader of the Liberal members from Quebec had spent all his time in New Brunswick and forgotten the Hochelaga riding. But that is a different story.

Well, he was saying: "The Progressive Conservative Party which wants to hurt the weak, the wage-earners, the farmers, the small businessmen is irresponsible when it suggests limiting government expenses. Yes, these are huge expenses, but they are necessary, and limiting them is out of the question."

Madam Speaker, if I am saying these thing to you, it is because men have short memories. Women's memories are not so short. And because men's memories are short, we must remind our hon. friends opposite about these previous statements. What is more, they must explain to us how they came to this complete about-face which is absolutely unique in political history.

Something is clear. In 1974, Liberal parti candidates sought a mandate from the Canadian people. They asked them for their votes to form a majority government, on the assurance that they were against any form of control.

Subsequently, here in this House, those same backers were quick to tell the Leader of the Opposition (Mr. Stanfield) and my colleagues that the people of Canada had rejected our party and had rejected controls.

Well, Madam Speaker, today I am telling the government that prior to undertaking a promotional campaign which will cost millions of dollars to convince Canadians that they should accept the measures that are now advocated and had been rejected earlier, that before doing that, the government should in all fairness and honesty confess to the people that they were wrong, that they made a mistake, that they lied to them, that they sought from them a mandate under false representations, and that today they feel the obligation of returning before them.

The government has no other alternative, and I challenge them to return before the people of this country whom they have misled. They should go and ask the population for a true mandate; they should tell them the truth once and for all instead of behaving like cynical and machiavellian politicians. Let them have the courage to call an election and in less than a month they will either come back with an explicit mandate to impose such controls or not come back at all because voters will have put them in their place.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but he certainly knows that he must address himself to the Chair and not to government members.

Mr. Wagner: Thank you, Madam Speaker, I even wonder how I could have forgotten you—

An hon. Member: I apologize!

Mr. Wagner: I apologize. So, since an election may be called tonight, I ought perhaps to shorten my speech, but, Madam Speaker, I hear them laugh. They will cling to power for another three years. They will continue to deceive Canadians, and stay in power under false representations. They will wallow in that ridiculous performance which the people have recognized as such; under the circumstances, as there is no hope for them, I shall continue to speak to them anyway. Madam Speaker, I should like—

The Acting Speaker (Mrs. Morin): Order. The hon. member has alluded to power under false representations. I am sure the hon. member used words which exceed his thoughts, that he did not mean what he said.

Mr. Wagner: No, Madam Speaker. I merely wished to point out that when a political party seeks a mandate from the people it should do so honestly. If it changes its mind along the way, it should also have enough integrity to go again to the people.

[*English*]

Madam Speaker, it becomes increasingly clear that as time progresses, this government has made ad hockery into a veritable philosophy of government. These economic measures which have now found their way into Bill C-73 indicate, as I was mentioning a few moments ago, that what was unacceptable last year, last month and last week, is the only answer today, at least if one is to take the present policy of this government seriously. I think that much of the effectiveness of this program depends upon the will of Canadians to make it work, and that in turn depends upon the credibility of the program and the credibility of the government that brought it forward.

I was referring a few moments ago to the fantastic about-turn that this government has made in its economic policies. I am looking now at the seat occupied by the hon. member for Ottawa-Carleton (Mr. Turner) and asking myself whether he declined to maintain his ministerial rank through a respect for principle or as a result of his inability to admit a fundamental error. Either way, the government is worse off for not having him as part of their economic pain.

The question is, are the people of Canada prepared to be part of this government's economic pain? In many respects, there are so many injustices and so many inequi-

ties in the program that this government has now put forward that many Canadians might not be blamed if they were to prefer sitting on the bench for a while before joining the team. These inequities are now becoming very clear. While it is possible for business enterprises to seek increases in prices through cost justification, it appears somehow impossible for the average citizen to do the same. The average citizen's increases are fixed, frozen and immovable. The hon. member for Drummond (Mr. Pinard) was alluding to these things a few moments ago.

Surely, one would not be too specious to ask why it would not be in some way more just if this program had some place in its operation for recognition in rising individual costs. Surely, if business enterprises can make their case within the context of this program, it will appear unjust if citizens cannot do the same. My leader has said that this program will involve rough justice if it is to survive. I say that there are so many weaknesses in this program that to suggest it will bring about any form of justice is simply to do so on the basis of faith rather than fact.

There is no question that my colleagues and I—who had the courage, by the way, to level with the country a year ago—will seek to support the principle and purposes of this legislation, but it is fair for us to warn the government this afternoon that if they are not prepared to seek meaningful amendment and modification so as to more properly assure just legislation and implementation of this program, this party will be prepared to clearly state its opposition when the opportunity arises.

The open handed nature of this bill which, by the way, runs beyond the normal traditional mandate of the government surely leads to some serious speculation. Has the government lost all faith in the ability of the market and the economy to respond to certain restraints and secure its own levels? Is there justification for those in the business community who fear that the price justification mechanisms in the bill are not even three years temporary, but are really a new permanent fixture of the government's economic management?

● (1730)

There is very little in these measures for the working men and women of Canada. I recall a campaign commercial in 1974, which ended with the following line:

The working men and women of Canada don't want their wages frozen. Vote Liberal!

In 1974 this party put forward a program that would have kept the cost of the working man down temporarily, restrained income increases, but a program that would have only asked the working man to carry the burden for 90 days. We asked the working men and women of Canada to accept the responsibility that we were prepared to enforce for all sectors of the economy, including the government. But we told the working men and women of this country that within 90 days they could seek increases within moderation, and that they could continue building security.

To limit the working men and women of Canada at the bottom of the wage earning scale to a $600 increase in income is absolutely heartless. It is not a situation that men and women of good conscience can be party to in this House for very long.

The scope of this bill, the length of its provisions, and the cynicism and misrepresentation by the government can no longer be viewed with equanimity. The future of this bill and its effectiveness are not threatened by its own provisions but by the insincerity of the government that has brought it forward. That insincerity re-commenced on July 9, 1974, and cannot be expected to evaporate from the mind of the average citizen. Indeed, I think it was that very insincerity that was very much on the minds of the working men and women of the riding of Hochelaga in my own province of Quebec.

A year ago a political party in this country said, "The working men and women of Canada don't want their wages frozen". Madam Speaker, with this government in power and with this party in power, the same party in power, the working men and women of Canada face the possibility of having their futures frozen. That, Madam Speaker, my colleagues and I will never accept.

[*Translation*]

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Madam Speaker, it is a pleasure for me to take part in the debate on Bill C-73, at the second reading stage. Before starting to talk about the bill, I believe there are a few observations made by the hon. member for Saint-Hyacinthe (Mr. Wagner) which perhaps deserve being answered. I think that the hon. member for Saint-Hyacinthe preaches in French a theory which, in my opinion, is entirely false. He said the government had initiated a price freeze policy, which is entirely false. The government has not established any price freeze policy.

An hon. Member: He does not know the difference!

Mr. Gauthier (Ottawa-Vanier): During the last electoral campaign his party proposed a price freeze for 90 days, with nothing after that period of time. It is the "nothing after", as the hon. member knows quite well, that has contributed most to the defeat of this party. Canadians were rightly skeptical about the policy hap hazardly set forth by his party. Above all, they were skeptical. They were afraid of the 90-day freeze with nothing afterwards.

This bill, Madam Speaker, does not provide a freeze policy, but restrictive measures which will be extended on a three-year period. Canadians will know—they already know today—what this program is all about. The official opposition and the one on my right, the New Democrats, advocated a selective freeze, they being socialists, with a possibility of justification, of increase, under a procedure badly explained.

And here again we hear hon. members on the other side saying on the one hand "Freeze" and on the other "Not entirely". We cannot even tell what the opposition wants from the government and the Canadian people understand even less what the hon. members opposite are trying to say. Because since... If the hon. member for Grenville-Carleton (Mr. Baker) wishes to speak, let him walk in, otherwise he should keep quiet.

I have trouble understanding the New Democrats who claim: "We are going to freeze but selectively" and the

Progressive-Conservatives who declare: "We are going to freeze everything" But for how long? For 90 days? Our aim is not to freeze anything but to cut down some profits, to curb the expectations which for over a year have made the situation in this country more and more difficult.

To come back to the hon. member from Saint-Hyacinthe (Mr. Wagner), he is credited with saying; "What's new?". He knows fully well what is new. What is new is the kind of inflation we have today which is very much unlike last year's. Today's inflation, as the hon. member for Saint-Hyacinthe knows full well, today's inflation is home grown.

Mr. Wagner: You don't say.

[*English*]

Mr. Muir: It is 100 per cent worse.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): It is not 100 per cent worse and you know it. Last year's inflation was for the most part imported, because oil prices increased 400 per cent, because of world wide and global problems, bad crops in some countries, as hon. members know very well. Whether you admit it or not, Canadians know it. They found that out in their constituencies—

An hon. Member: In Hochelaga!

Mr. Gauthier (Ottawa-Vanier): —they found that out everywhere. And, as you just said, they may have found that out in Hochelaga too.

The Deputy Speaker (Mrs. Morin): Order, please. I must remind the hon. member that he too must address the Chair and not members directly.

Mr. Gauthier (Ottawa-Vanier): I apologize, madam Speaker. I followed the example set by the hon. member for Saint-Hyacinthe (Mr. Wagner).

An hon. Member: A bad example indeed.

Mr. Gauthier (Ottawa-Vanier): I agree, that was a bad example to follow. In any case, Madam Speaker, I feel that of all the problems that now besiege Canadians, inflation is no doubt the most intolerable and perhaps the most insidious. It is intolerable because it affects us all, because it compounds social and economic problems, and especially because it undermines the purchasing power of our Canadian dollar. It can easily be seen that if the value of our dollar declines constantly, so does our purchasing power, and the small wage earners as people in higher income brackets will be facing an unacceptable and indeed very disquieting situation if it is not controlled, as the minister told us the other day. That is why this government came forward with Bill C-73, which proposes measures to deal with runaway inflation.

[*English*]

● (1740)

All Canadians in all walks of life must ask questions about this policy and how it will affect their lives and work. The benefits of restraint are long term, and the economic effects of non-restraint complicated. Therefore all members of parliament, government supporters and opposition members, must tell the people in their ridings that they must join together in fighting the present most disquieting inflationary trend.

This afternoon I heard an NDP member say that he told people in his riding to defy the government and not support the program. I find his position difficult to understand. Surely it is not acceptable for a member of parliament to encourage open defiance of the government. I will say no more, except that he ought to have twisted his tongue before saying what he did.

Inflation is created by many converging forces, some at home and some originating outside this country. We are manipulated by forces which are sometimes beyond our control. No government can manipulate people by decree. Personally, I do not think any government can succeed in winning support for an anti-inflation program, or any other program, unless it manages to educate people about the forces which confront us and what the solutions are to our problems. We need comprehension. Sometimes these proposed solutions are hard to understand.

Economics is not an easy subject to understand and I do not pretend to be well versed in the field. Perhaps my weakest subject is economics. For that reason I thank the hon. member for Thunder Bay (Mr. Penner) for what he pointed out to me. This past summer he read much the same material as I read. The hon. member referred to the question of housing. That is an important issue. Also, like the hon. member, I had occasion during the summer to read the C.D. Howe Research Institute publication on housing. It was interesting and enlightening.

As parliamentary secretary to the Minister of State for Urban Affairs, I hope to take an active role in reorienting or restructuring programs, so that we may deal more aggressively with our existing problems. If any mistake has been made, it has been made in the area of demand. There is no demand problem in Canada, at least not in my area. There is a supply problem, to which the government will address itself. The government deals with the problem of housing in its pamphlet "Attack on Inflation." The problem deserves our attention. I hope, confidently, that the government will come forward soon with measures to encourage supply.

I hope that land for construction can be made available to our people and that contractors and entrepreneurs will support the government's programs so that we can surmount the crisis which has been developing in the housing field. Bearing that in mind, I am most pleased to be able to participate with the minister in this work.

[*Translation*]

Madam Speaker, I do not want to take up too much time. I believe that the matter of a freeze—

Some hon. Members: Oh, oh!

Mr. Gauthier (Ottawa-Vanier): —not of a freeze but of the anti-inflation program, the word inflation comes back to me now—It was a slip of the tongue—I was thinking about you.

The anti-inflation program of the government is a program which must be sold, which must be understood and which may require a lot of energy on the part of the hon.

members and perhaps even a lot of hot air. Anyway, we shall see. National problems are of such magnitude that I believe that we can count on the good will of everyone to try to get out of this hole, if I may use this expression, to get out of this very critical situation. If both sides would show a bit of good will—I know that the hon. member for St-Hyacinthe (Mr. Wagner) will show a lot of good will and that his party particularly might help us—to sell the program, to make the people realize that it is not a freeze program but a voluntary control program directed mainly and particularly at those the government has been trying for a year to convince to restrain their demands. You will recall that the minister of Finance often said: Yes, I am in consultation with business people, large companies, corporations, trade unions, bigwigs. However, since they did not react positively during the last year, this may be partly why the government had to introduce legislation to finaly apply income and prices policies which might save us from the inevitable disaster which is a regressive, inflationary and unproductive economy.

The same "big guns", the same big corporations which said no are now compelled by law to follow certain guidelines. This is not everybody, I admit it. I think we will win the fight if we have the guts to tell them we are serious, that we want to implement positive measures, and then we will soon have far better conditions to live in.

● (1750)

Mr. C.-A. Gauthier (Roberval): Madam Speaker, on October 16, 1975, the Minister of Finance (Mr. Macdonald) tabled in this House Bill C-73 to provide for the restraint of profit margins, prices, dividends and compensation in Canada. That was indeed the purpose of the bill.

Offhand, Madam Speaker, we conclude that it is simply the price and wage freeze contained in the 1974 Tory election platform but the minister hastens to say that it is not the price and wage freeze but that the bill has aimed at restraining profit margins, prices and salaries. Either I do not understand English, or the minister is dancing on the tight rope. He says, it is not a freeze but something that looks like a freeze, not a concrete step but a phychological manoeuver. I do not think it is a freeze according to his explanations but a gel. It is indeed representatives of this government.

What is in the end the attack on inflation of the Prime Minister (Mr. Trudeau) and the Minister of Finance? All are asking the same questions in this House while the minister seems to rely on the board headed by two illustrous political figures with fat salaries to give the population the explanations they dare give now.

And to prove that we are not the only ones, Madam Speaker, trying to discover what is hidden, under this troubling headline in today's *Le Devoir* of Montreal we read:

ATTACK ON INFLATION—EVEN EXPERTS ARE LOST

Imagine! And we were just told that the bill is clear. I quote:

EVEN EXPERTS ARE LOST

The least one can say about the anti-inflation program proposed a week ago by Prime Minister Trudeau is that it brought out the seriousness of the economic situation in Canada and polarized the attention of people on the problem.

The program is not very well understood even by those experts who elaborated it.

Imagine! It is not understood even by those experts who put the program together.

—On the general terms there is agreement, and that is to say that wage earners cannot expect an increase of over 10 per cent during the 12 next months and companies cannot raise their prices beyond the increase in their basic costs.

It is broader; what is the basic cost? The question must be asked.

But where specific points are concerned, it is not that clear, since even the ministers do not agree as to the impact of the measures they ask Parliament to pass.

The Postmaster General, Mr. Bryce Mackasey, said that the postal workers who are demanding a 71 per cent wage increase, will not be subjected to the controls. But Mr. Donald Macdonald, the Minister of Finance, said that the decision would be left to the Anti-Inflation Board.

Mr. Richard O'Hagan, who is in charge of the promotional campaign in connection with the anti-inflation measures, says that it will not be possible to give anything but broad answers to people asking for explanations until all the details of the program are set out in black and white.

As concerns the details of the program, apparently it will be up to the anti-inflation board to lay them down. The article reads on:

"We cannot foresee how the text of the legislation will be interpreted . . ."

The lawyers have worked on the legislation, but in the final analysis, it is the Board that will decide upon the text of the legislation. And it reads further:

Inquiries are pouring into his office. "There is a tremendous interest in this program . . ."

It is obvious that many people are looking for loopholes. The controls apply to the 9.6 million people who make up the working force. But all the other workers are presumed to be good citizens who are willing to comply with the guidelines.

There are many exceptions. Wage increases that come with promotions are not subject to control. An employer can also grant increases above the prescribed limits if he can prove that he cannot attract or keep personnel for less.

The guidelines apply to all kinds of income: social benefits, bonuses, shares, etc.

Anti-Inflation Board Chairman Jean-Luc Pepin said: "If people want that bill to be a failure, they will find 111 means of evading it".

Last night, the Minister of Finance (Mr. Macdonald), said on TV that the situation of Canada would become critical if unions refused to abide by the guidelines.

He mentioned that economic prospects for the winter are dull and it will take Canada longer than expected to recover.

In Toronto, Mr. Stephen Lewis, the leader of the NDP, accused the government of Ontario of ignoring its responsibilities—

And so on and so forth; I shall quote no further. Madam Speaker, I think opposition parties are not the only ones that do not understand this bill. I think most serious people who are not tied by the leg wonder where it will take us. How do you expect workers not to be apprehensive after such statements! Yesterday, before I was off on my way back, I met a very important group of workers now on strike because they did not manage to come to a reasonable agreement after months of bargaining. They

have been at it since spring, but to no avail. Sometimes you are almost tempted to believe companies had been forewarned about this bill, Madam Speaker.

Besides being denied their vested rights, such as marginal benefits which, according to the answer of the minister to a question of mine during the question period, will be included in the famous 8 per cent determined in the bill, workers will shortly be the first really affected by that bill. In fact, this is what the minister tells them, as reported on page 8307 of *Hansard*. Anyone who is not convinced about the intentions of the minister will find them displayed in his statement on page 8307 of *Hansard*. Although he does it with all possible caution to lessen the shock, he is bluntly saying to workers that in a short delay it must "control wages".

Madam Speaker, I want to point out that it is six o'clock.

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Gauthier (Roberval): Mr. Speaker, before the recess I was stating that the minister had cautiously tried to lessen the shock when introducing Bill C-73. I merely read this evening the interview he gave at the CTV station when he said that it would be much more difficult in Canada for the workers to accept the bill as they did in Britain, because the British unions are much closer to the government that the Canadian unions. I think that the real reason, Mr. Speaker, has nothing to do with unions, but that it is rather a matter of priority.

In this bill, we note that the minister gives priority to a wage freeze, to unions and workers, while priorities should above all be given to incomes. I referred to the workers before the recess. Let us now turn to income. The minister seems to side with large companies and he simply says to the workers: The percentage will be established by law. To the companies, he says, and I quote:

—there will need to be adjustments as time goes on.

—On the income side. These are his own words as reported on page 8307 of *Hansard*, third paragraph. "It is not a freeze" . . . said the minister", but a control". However, this control is very hard on the workers. The minister should stop turning around in a circle and tell the truth to the people, namely that from October 14, there will be a freeze on wages but not on prices and incomes, as everyone wants. All the workers want is merely to be put on the same footing as the large producing or financial companies. If one is freezed, the other should be also. If one is tolerated, let the other one be also.

What, in my opinion, is more fantastic yet, Mr. Speaker, is the fact that all through his long speech, the minister did not refer to today's inadmissibly high rates of interest. The true inflation spiralling started when this government removed the chartered banks interest ceiling.

• (2010)

I said so the day after that decision and I said here that Canada would experience its worst years of inflation ever. The first serious step should have been to freeze the Bank of Canada's discount rate at 4 per cent. Thus, commercial banks would not have had the high cost of money as a false excuse if the prime rate had been frozen at 4 per cent, and I think that would have been more successful. The Bank of Canada belongs to us, the government is its master. Why is the government not interfering? What keeps it from freezing those interests first? We shall see after. We shall see the effect on commercial banks. In fact, we all remember that when the prime rates of the Bank of Canada fluctuated between 3 and 3.5 per cent,—over a period of 40 years, the commercial banks' rates barely exceeded 6 or 7 per cent. But when the Bank of Canada had to raise its prime rate as high as 8¾%, how could commercial banks lend at 9 per cent? That was impossible. The problem exists. Besides, the government is well aware that the problem does exist, but it cannot talk about it because high finance is watching. I do not understand yet how a people-elected government, although financed by higher finance, dare take away all control over interests and ask workers not to demand wage increases. I wonder whether now our people will finally understand.

Following this voluntary and maybe imposed oversight, the minister states that he intends in the long run to come to grip with the incomes of the larger companies and ask them to kindly explain the reason for their increased benefits. The minister stated: "We shall have in the long run to consider also a readjustment". What a nice way to deal with larger companies, when we know that they have the best lawyers, the most capable accountants and the most clever concealment artists! Multinationals and other financial institutions have nothing to fear from the government. The same cannot be said of small businesses, particularly those which are not into favour with the party, or with an authorized representative.

Every day, Mr. Speaker, we can see what is going on with regard to income tax, for example, as well as to every other area. Home investigators are breaking at any time into small dealers, small businessmen's place, getting at people who are too weak to defend themselves against that horde of government's sharks. And after that, the minister even dare speak again about justice and equity.

What is of concern to us, in the Social Credit Party of Canada, is the fact that the small wage earners' rights are still encroached upon with regard to salary increase claims, since those who get only the minimum salary will be entitled to an authorized maximum increase of $600 only, that is $1,800 after three years, whereas those who get $24,000 or more will be entitled to an increase of $2,400, that is $7,200 after three years.

Except for the guidelines, the minister does not seem to have any specific answer as to the interpretation of this bill. He keeps referring to the famous board of which as yet we only know the chairman and the vice-chairman, and an administrator who is supposed to be responsible for overseeing the agency. It will probably be as usual a board among others in charge of overseeing the whole thing in order to create as many jobs as possible.

I wonder if the Prime Minister will find enough defeated political candidates among his friends to fill the gaps. Of course, this bill will be referred to the standing committee of the House for further study. We want it to be amended according to the priorities which we, of the Social Credit Party of Canada, have mentioned in the House. For if the bill is sent back to the House for third reading without amendment, be assured that I for one will vote against it. I shall not take part in such discrimination against the low income groups in our province and our country.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, of all the ills afflicting our Canadian society, inflation is doubtless at the present time the most intolerable, the most insidious. The most intolerable because, more so than any other, it exacerbates social injustices because it strikes first and foremost the weakest and most helpless citizens. The most insidious, because we tend to consider inflation as a fatality against which we can do nothing but save our skin at the expense of the neighbour. Until very recently, that feeling of helplessness and fatality was all the more stronger as inflation came from foreign countries over which we had but little control.

That holds true of the OPEC countries which, in 1973, increased fourfold within a few months the price of their oil, totally disrupting the western economy. It also holds true of our trade partners who were more severely affected by the energy crisis than we were and who had no qualms about exporting their inflation to us with their cars, their television sets and their good products.

Carried away by the tide which engulfed the whole western economy, we could do nothing but cushion the impact of too sharp an increase in prices and do our best to protect our more helpless fellow-citizens against an inflation which came mainly from abroad.

It is in this light that the steps taken by the federal government in recent years should be seen. But the time when inflation came almost exclusively from abroad is over. For some months, through our own lack of discipline, our problems have considerably worsened. And now the fires of inflation are being blithely stoked up from within.

Nobody wants to acknowledge the fact that the oil crisis has really brought about a redistribution of wealth in the world and that we cannot live as if the OPEC countries had not wrenched some $112 billion from industrialized countries like ours in the year 1973-74 only.

While the Canadian economy has registered in 1974 a growth rate of 2.8 per cent and is likely to be lower in 1975, labour agreements gave wage increases of about 18 per cent. Many companies took the advantage not only to unload on their customers the rise in their production cost but also to unduly increase profit margins.

All that has strongly contributed to make us less competitive on the international market. Hence a decline in our economic activity and the chance to see our unemployment rate rise once again.

Before this situation, the federal government attempted, in a first move, to bring all partners of the Canadian economy to set for themselves, on a voluntary basis, certain restrictions necessary for the recovery of the economic health of the country.

Our efforts, one has to admit, have been unsuccessful. That is why the Prime Minister (Mr. Trudeau) and the new Minister of Finance (Mr. Macdonald) decided to be much more directive today.

Having learned from last year's experience, the government has just put forward a certain number of rules and guidelines which are intended to check rising prices and salaries.

Starting Monday night, October 13, at midnight, these guidelines have the force of law for the federal government and all its civil servants, Crown corporations, private firms employing over 500 personnel and all companies in the building industry with over 20 staff. All other businesses and workers will have to follow suit voluntarily if we wish to draw the maximum benefit from this anti-inflation program.

● (2020)

[*English*]

We are living in a country where we take freedom for granted, one of the richest countries in the world with resources to solve every problem but one, namely, inflation; and inflation really is not one problem but a complex of problems summed up in one: how to control the energy of freedom before there is no freedom left to control.

A free society functions on a belief in equality and justice, on support of law and order, and on a willingness to put the public interest first. Last, but far from least, it functions on the faith that it will function. Today the system is being wracked by extremes of violence and apathy, spawning cynicism, illegality, disorder, self-interest, and doubt.

The causes are rooted deep in society's material goals, in the consequent decline of values and the decay of social disciplines now turning the long-term trend to equality into a drive for short-term rights. We sold our way of life with rhetoric about equality, and today the young, and the not so young, want everything going and want it now. Equality is replacing religion as the opiate of the people at a time when the trend to bigness, big business, big labour, and big government, is alienating the leaders and the led.

Society is in ferment. Everyone wants more rights. This translates in almost every case into demands on governments, demands by students to decide how they should be educated; demands by consumer groups to restrict the power of corporations; demands by environmentalists, minorities, and women's groups; demands for subsidies, loans, tax concessions, and welfare of all kinds; legitimate demands, but they all add up to more money at a time when the economy is giving us less. Everyone knows this; every group knows that to take more means less for others, yet everyone acts as though restraint should be practised by someone else.

Our freedom depends on restraint; its energy needs to be checked, as all machines have limits and when they are exceeded they self-destruct. Freedom and restraint are opposite sides of the same coin, but lately freedom seems like a coin with one badly worn side. Bit by bit our restraints are wearing away.

Inflation is a symptom of the lack of restraint, a symptom of the underlying illness. But it is more than a symp-

tom, it is like a cancer where the cells flout the rules that govern the health of the organism. It begins as a symptom but it ends as a cause.

Inflation has always been with us; a mild infection accompanying growth. I am sure that few of us can remember a time when some prices have not been rising. Inflation embitters and corrupts. It embitters some by unfairly taking away the wealth they have earned. It corrupts some by giving them wealth they have not earned. The ethic of giving to society is destroyed by the action of taking, and we think less of society and ourselves.

The worst demoralization is among the middle-class, the silent salaried majority who make our institutions work. They see their savings melting away and their stocks and bonds losing value. They fear a collapse of currency that will shrink the worth of their property. They are worried about depression, unemployment, and their pensions. Inflation makes us all self-concerned.

Inflation spreads resentment. People see a steady transfer of wealth from the weak to the strong with no regard for merit, effort, or economic contribution. It makes them see the economic system as unfair, and it makes the political system seem inept. All leadership is discredited. We begin to think there is no answer. We lose faith in the system and then we lose faith in its currency. Money grows cheaper by the month, the week and, finally, by the day, as it did before the collapse of Egypt, the fall of Rome, and the rise of Hitler.

This is not going to be the scenario for Canada. It is the job of the government to see that justice is done, to provide law and order, and to free citizens of fear; we cannot do this unless we can stabilize prices and unless we restore public confidence in money. We live in the shadow of a world wide currency breakdown. We live with the spectre of depression.

Last fall we held recession off with tax cuts and deficits, but now we are paying for it with higher prices. Indeed, already production is falling while the cost of living is going up. Indeed, it is clear that falling production is due in large measure to rising prices and to the inability of many people to pay them.

There is no longer any question of where we should place our priority. Inflation is now public enemy No. 1. It threatens not only the economy but democracy and our freedom. It must be brought under control; it must be restrained.

No government wants to interfere with the cherished rights and privileges of its most powerful constituents; its only certain reward is unpopularity. We knew that some power blocs would say restraint will not work because it limits their power. We knew that some would say it will not work because it limits their personal gain. We knew that others are sincere in their doubt and that many, too many, still want to believe that things will work out by themselves.

We also knew that the nation was crying for leadership on a course that will pull us together, and that, although business and labour would not give us a consensus, the nation as a whole is now demanding it. We do not pretend that this course will be smooth. We know there are plenty

[Mr. Herbert.]

of potholes and we do not pretend to have the perfect solution.

The sacrifices we are called on to make are slight compared to the gains. All we are really being asked to do is live within our income and to give up some short-term loot for our long-term benefit. We are just being asked to consent to our own survival.

For the businessman this means reassessing his operating creed. Is he responsible solely to his shareholders or is he also responsible to his customers and to society? The question has been around for a while, and most businessmen have answered it, in principle at least, with a clear cut yes.

For the labour leader it means cooling the adversary system, with less need for fiery speeches condemning management and less need for extravagant posturing at the bargaining table. It means lessened use of the power that trades more pay for layoff notices, that strains the movement's unity, devalues the money gained, shrinks pension funds, and ends with the power to win nothing.

The fundamental fact is that we are all in the same boat. Our identity of interest is even stronger than our conflicts. No one has more to gain if we end inflation than the businessman, and no one has more to lose if we do not than the unionist. I am betting on them both. I am betting on us all. I still have faith in human adaptability.

[*Translation*]

If only yesterday inflation was beyond our control because it came for a large part from abroad, today we are more able to overcome it. We only have to stop feeding it through our indiscipline. And the government will set the example by putting a ceiling for all practical purposes on the number of employees and compressing its own expenditures as much as possible.

If we refuse to yield to the inflation psychosis, if we accept to submit willingly to the rules set out by the government without playing the game of cynicals who suggest that the small always end up paying for the big, in short, if we all decide individually and collectively to stop living beyond our means, then we will have made an enormous step in the right direction. And Canada will be back on the road to economic health and social peace both based on a fairer participation of all in the national wealth of this country.

● (2030)

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to state the position of the Progressive Conservative Party on Bill C-73 this evening. I also wish to point out that it was the Progressive Conservative Party, and especially its national leader who consistently showed leadership in drawing attention to the serious even fundamental damage to our country's national fabric by continuing double digit inflation, and in calling for strong and direct government action to deal with the problem.

Our position on that score has not changed. Right off the bat may I say that is a major difference between the Progressive Conservative Party and the Liberal government which now has had to swallow the cynical and misleading position it kept putting before the Canadian

people, not only during the 1974 election campaign but ever since, up to and including the budget of the former finance minister on June 23. I should like to make further comments on the cynical misleading information he gave the Canadian people.

I can recall during a Liberal broadcast on the radio station in Winnipeg when the Prime Minister (Mr. Trudeau) came on in a mysterious and dramatic voice, stating that the Conservatives "would freeze your wages." This did not fool the people of Manitoba because they know that inflation cannot be cured by the freezing of someone's wages. They knew it was a combination of wage and price controls. I will never forget the words of the radio announcer who, following the Liberal broadcast and the Prime Minister's voice, came on and said, "That is a bloody lie". Even the radio station people did not fall for the phony Liberal ads.

We remain convinced of the urgent necessity for strong and effective national action and leadership on this issue. Indeed, if anything the 15 months of ineffective action and non-leadership shown by the Liberal government since the 1974 election make the need for effective action all that more necessary, as they have made the problem just that much more difficult to deal with now.

It is for this reason, as expressed by the Leader of the Official Opposition (Mr. Stanfield) last Tuesday, we are prepared to support the intent of the government's program and, therefore, not to oppose the bill on second reading. At the same time, however, we wish to make it abundantly clear that Bill C-73 with its accompanying policies, as announced by the Prime Minister and his ministers, is not our program. We advocated an incomes policy during the 1974 campaign. There are important, if not fundamental differences between the program we advocated and that which the Liberals now have announced, both in terms of the broader context and the details of the legislation itself.

A very basic difference is that the Progressive Conservatives never presented their proposals for an incomes policy as any answer by itself to the inflationary problem. Fundamental to our approach—and the record makes this abundantly clear—was the need to accompany a short-term controls program, designed essentially to break inflationary expectations, with other, equally important measures to deal with the more root causes of the problem.

In that context we placed and continue to place major emphasis on the need for more appropriate fiscal and monetary policies to be introduced by the federal government. Leadership by example—and that is the only kind of leadership people will understand and accept in the long run—is not simply holding federal civil servants within wage guidelines, or postponing new furniture purchases. If the call is for the nation to live within its means, so must the government abide by the same edict.

The record of the Liberal government in this respect is virtually the opposite of what is required. On the monetary front the Bank of Canada, with the government's approval, has consistently permitted increases in the money supply well in excess of any increase in real or even inflated economic growth. During the past 12 months that increase has amounted to more than 15 per cent. Indeed, if one wants to look for sources of fuel for this year's inflation, it is difficult to find a better starting place than the more than $3 billion which the bank pumped into circulation during the last quarter of 1974 alone, in a rather cynical exercise to ensure the success of the former finance minister's massive Canada Savings Bond program of that period.

We do not advocate a so-called tight money policy, and never have. But we have said time and time again that, if inflation is to be brought under any meaningful control, increases in the money supply must bear closer resemblance to rates of growth of the economy itself. Similarly, the Liberal government's own spending record has been a model of living beyond one's means and making unrealistic demands upon the economy. Under this government spending has increased by 192.8 per cent in seven years. This year alone, according to the June 23 budget, expenditures are forecast to rise on a year-to-year basis by 11.2 per cent.

According to spending patterns during the first four months of the current fiscal year, the former minister of finance's June forecast of a $3.1 billion budgetary deficit appears to be low by 50 per cent or more. In short, the government's appetite for spending has been boundless, an appetite fed both by ever-rising tax takes from Canadians and by continually heavy demands upon capital markets of the country.

Again our position on government fiscal responsibility has been both clear and consistent. We realize that, given the relatively high degree of inflexibility in government spending patterns resulting from statutory and other commitments, it is not feasible to talk of reducing government spending in absolute terms. But we have continually urged the need for government to show restraint in its own demands upon the economy and, more specifically, to limit increases in its spending to rates of real growth in the economy itself. One might compare that with the weasel-worded undertaking of the government white paper that "the trend of total spending by all governments in Canada should not rise more quickly than the trend of the gross national product", whatever that means, if anything.

There are a number of other basic differences between our approach, as set forth during the 1974 campaign, and the government's program, at least two of which stand out. First is the time period during which any controls program could hope to function without setting off serious new distortions within the economy. Because we realized that an incomes policy was designed essentially to break inflationary expectations and create a breathing space for other more fundamental anti-inflation policies to be brought to bear, our undertaking was for a program of no more than 18 to 24 months. The Liberal government, in Bill C-73, seeks approval for a program of more than three years' duration, until December 31, 1978, with further provision for extensions even beyond that. That simply is not acceptable to us in the Progressive Conservative Party.

● (2040)

As already noted, controls can have a distorting effect on the economy, and the longer the regimen is in effect, the sharper and deeper the distortions are likely to become. But even beyond that our party is not prepared to grant on an open ended basis to the federal government, particularly this federal government, with the kind of sweeping centralized powers represented by Bill C-73. The

exercise of these kinds of powers over such a long period of time raises questions well beyond that of economic distortion, reaching to the issue of fundamental changes in the balance of the decision making power within our free market system.

A second significant difference between the two approaches lies in the way in which one could and should lead into such a program. As you will recall, the Conservative Party advocated as an initial step an across the board freeze period of up to 90 days in order to have a pause period during which our government could sit down with the major interest groups involved and work out the host of questions which will inevitably arise with regard to any incomes policy.

Without the freeze, government is left to try to sort out the ground rules, while groups and individuals scamper to assert their special interests within the program. In less than a week we already have seen ample evidence of the kind of confusion and exaggerated inequities that result from the government's lack of any orderly introductory period.

Here are some basic concerns about Bill C-73. Beyond these over-all differences of approach, and with even the limited amount of detailed information available to us from the government to this point, we can identify several important aspects of Bill C-73 which concern us and on which we probably will be seeking amendments as the legislation progresses through committee.

Mention already has been made of the time period during which such sweeping powers should be in effect. We cannot support those clauses of the bill, especially clause 46, in their present form. At the very least we shall be demanding that the government return to parliament after a much shorter time period, justify its need for any extension, and obtain formal parliamentary approval to carry on the program for a further period.

Beyond this question of an effective time period there is also the issue of parliamentary accountability during the period the program is in effect. While Bill C-73 requires that certain, but not all, of the actions taken by the established agencies such as the Anti-Inflation Review Board and the administrator be tabled in parliament, there is no provision for any kind of comprehensive reporting to parliament on the over-all record of the program and no built in opportunity for parliament, through one of its committees, to receive and scrutinize regular reports from the agencies established by the bill. Given the massive powers involved, we believe some process of accountability is essential.

The bill empowers, indeed requires, the Anti-Inflation Review Board to keep confidential virtually all of the information it collects in making a judgment on issues coming before it. The bill does not require the board to offer publicly any detailed reasons or explanations for its decisions.

While we recognize and respect the need to keep confidential any information of a personal nature or which could jeopardize a company's competitive position, we feel strongly, as we have said continually, that an incomes policy can only function if people see that justice is being done and understand clearly how and why decisions are being made. The bill should seek to foster the fullest possible public understanding by ensuring that agencies administering this program provide Canadians with the maximum possible information on the basis for their decisions and actions.

Any process such as this, placing in the hands of administrative agencies massive discretionary power, obviously requires comprehensive appeals procedures in order to guard against the abuse of such powers. But in Bill C-73, clauses 30 through 38 propose such an elaborate and complicated procedure, such as carrying actions of the board and of the administrator through an appeals tribunal, the cabinet, and eventually the courts, that decisions may well be tied up for months in one appeal procedure after another. Justice delayed is indeed justice denied.

There are many other points in the bill, for example the penalty provisions and powers for police raids, that undoubtedly we will want to question in the days ahead. And, of course, there is the whole question of the guidelines themselves which are not in the bill but are to be regulated by the government.

We are making no promises beyond second reading. As already noted, we have agreed not to oppose the bill on second reading because we accept the broad intent of an incomes program and because, for now at least, we are taking the government at its word in terms of being willing seriously to consider amendments to this legislation. Beyond that, however, we make no promises or commitments of support for Bill C-73. Indeed, our view at this point is that, without important changes being made in some of the areas identified above, we cannot give our approval to this legislation on third reading.

We are also concerned about how the bill is to be handled following second reading. Given its tremendous importance to the people of Canada, it seems fundamental to us that at least the major interest groups be given an opportunity to express their views on the legislation itself before a Commons committee. The white paper at several points promises "extensive consultation" with the major groups involved, including the provinces, industry, and organized labour, and it strikes us that there being little indication at this point of any meaningful consultation with any one, a proper place for such consultation is before parliament itself so that members on all sides of the House can have the fullest possible understanding of the attitudes and concerns of Canadians before making any final judgment on Bill C-73.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, it is an honour to join the debate on Bill C-73. More than that, it is an honour to put forward specific proposals in two areas to ensure that Bill C-73 will work to the benefit of all Canadians.

I believe that members of all parties agree that the results of increased inflation have caused, and will cause if unchecked, a rent in our national fabric that will be a long time in the mending. On the one hand we have inflation, and with the consensus program a failure we, as the government, looked at the alternative of mandatory price and wage guidelines. I would like to emphasize "guidelines" to make sure that in no one's mind is there confusion with the guidelines in a certain program of

freezes proposed in 1974 by the Conservative Party. Those people who equate guidelines with price and wage freezes are suffering from self-induced hallucinations because one has no relationship to the other, either by blood line or by name.

Although personally I believe in a free market operating on the supply and demand principle, I would like to agree with the Prime Minister (Mr. Trudeau) and the Minister of National Revenue (Mr. Cullen) that, faced with the prospect of either self-generating inflation or guidelines, guidelines are the lesser of two evils. There is no perfect system and it is recognized by all on our side that guidelines are a rough form of justice, but justice, rough or not, is preferable to economic anarchy. Imperfect though these guidelines are, so is this House and so are the members of whom this House is composed, but surely no one would suggest that the House should be abolished because of its imperfections, nor should Bill C-73 be abolished.

Initially in my opening remarks I stated that I would propose two concrete suggestions to assist in the chances of survival of Bill C-73 in the months to come in order that it may be implemented to benefit all Canadians. The first proposal deals with the obvious bureaucratic nightmare of policing retail prices in the market place.

● (2050)

As a member of parliament I sought a method of assisting the Anti-Inflation Board in my area. If I may I should like to read a release circulated to my riding of Comox-Alberni, dated October 20, 1975, which is as follows:

> The guidelines set down in parliament regarding price control are very specific. Prices may not increase unless there is a corresponding increase to the producer or manufacturers' cost. Fishermen and farmers are exempt. In other words, unless the cost of production increases there can be no increase to the consumer. There is, however, one fly in the ointment and that is monitoring the literally millions of products available to the Canadian consumer. For this reason I am proposing the setting up of a constituency review board composed of volunteers who will be unpaid and who will monitor prices in the Comox-Alberni federal riding. Since I have already established two constituency offices the headquarters will be in these offices located at Port Alberni and Campbell River. I would ask all interested parties who would like to participate on a constituency review board to contact either office and leave your name, address and telephone number—
>
> The purpose of the constituency review board will be to monitor retail prices in all sectors of the retail economy in order to ensure that price guidelines are being followed. I envisage that price lists will be scrutinized by the constituency review board and their findings passed on through my office to the appropriate minister and anti-inflation board. Also if it is deemed appropriate findings will be made available to the public through the media. In this way both the general public and the anti-inflation board will be kept up to date on the price changes in the Comox-Alberni federal riding.

The first proposal deals with the obvious. If I may, I should like to list the advantages of such a system.

First, there would be a reduction in the amount of government moneys needed to monitor retail prices in the Comox-Alberni riding.

Second, outlets will become aware of a price monitoring review and this will create a further restraint.

Third, price lists will be public knowledge, thus keeping the consumer informed of price changes.

Fourth, by being plugged into the constituency price review board I will be able to alert the anti-inflation board of abrupt increases.

Fifth, through community participation the individual fight against inflation will become meaningful and not merely a slogan to be abandoned in the political trash can.

I would request that all members of the House consider this proposal and how it can be implemented in his or her own constituency so that they may contribute personally to the fight against inflation at no cost to the public. The public deserves leadership not only from the government but from each individual member of parliament. Let us provide that leadership in the war against inflation. If we do so, I believe the people of Canada will not begrudge us the recent increase in pay but will realize that their hard-earned money is being well spent. I trust that members on the other side who have commented on this will take a closer look at it, because this is the way they can play a meaningul role in the fight against inflation rather than merely discussing it in the House, which will not help the fight at all.

I would also propose to the House that in the area of housing all mortgage interest in excess of 6 per cent be classified as an income tax exemption for an amount not in excess of $1,800 a year, the mortgage maximum to be computed on mortgages up to but not exceeding $30,000. For those renting accommodation, whether it be an apartment or a house, I would recommend a maximum exemption of $900 if married, and $450 per year if single.

The benefits would be twofold. First, new housing starts would be encouraged, and the plan would make housing a reality not only for those with high incomes but for those who only dream of a house with no chance of turning their dream into reality. Secondly, it would free funds for those already carrying a mortgage. These funds could be put into an economy that is going through recession pangs, as are all countries in the world today.

Housing must have a new infusion of imaginative proposals. Tax exemptions do not spend public funds—exemptions cause governments to rely on less public funds because taxation revenue is decreased. With the annual revenue reduced by $1 billion the government would have to adjust its budget. This can be done by this government—this has been done by this government. I submit these two proposals to the House tonight, Mr. Speaker, and hope that they will find favour on all sides.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, the remarks of the hon. member who just returned to his seat make me think that with the ascension of the hon. member for Rosedale (Mr. Macdonald) to the portfolio of finance, anyone thinks he can give a budget speech and introduce a budget policy here. I assume that is the significance of the address to the electors of Comox-Alberni that we have just heard.

In my view, Mr. Speaker, there are two immediate features about the legislation presented for debate today, both of which are alarming and familiar. The first feature is that this legislation, like so much that has come from the government, reflects a cynicism and an attempt to fool Canadians about the seriousness of the response of the government to major and disquieting economic problems. The second feature is that there is here, as there has been in so much of the legislation introduced by members of the government, a determination to gather excessive power to

the bosom of the government without an opportunity for controls by parliament over the exercise of this power.

I want to deal now with the question of timing, Mr. Speaker. The Government of Canada which won its last election by caricaturing this proposal is now swallowing what it said, and is introducing a program that only 14 months ago it vigorously condemned from coast to coast.

The Minister defends the timing of this turnabout by saying that public support now exists for some kind of program of controls. What he means is that the Liberal party and their Liberal flacks have stopped their campaign, have stopped their deliberate attempt to create fears about the way governments might deal with the serious problems of inflation. They have stopped trying to alarm Canadians about actions that must be taken. Consequently, because they have stopped inciting fear, there is now in the minister's view some greater measure of public support for programs which in essence they condemned 14 months ago.

There are arguments about the kinds of controls that were proposed then and are proposed now, and of course there are differences in the programs. We on this side of the House are pleased to have these differences recognized. The proposal which was introduced by my leader, and supported by members of this party in the election campaign, was less lasting than this, which means by implication it was less dangerous than the matter we are considering tonight.

The fact remains, and it is testimony to the cynicism of the Liberal party, that in the election campaign of 14 months ago—the election campaign which gave the government its mandate—the Liberal party opposed with all the energy it could muster, the essence of the program announced the other night on television. It opposed it in a way which was not only simplistic but which was as near to dishonest as one can remember in any national election campaign. We see the spectre of this cynical government embracing what it condemned on the way to victory in an election. But ministers are still not open enough with the people of Canada to admit that last time they were engaging in election tactics, and that the problems of inflation are so serious that they require now, as they required then, some approach of this nature.

● (2100)

The other matter to which I referred earlier is the extraordinary nature of the powers which the government seeks to gather unto itself by these proposals. There is to be a capacity here to step in and seize records, a capacity which reminds me and other of my colleagues of some powers which were included in the petroleum administration bill which, coincidentally or otherwise, was guided through this parliament earlier by the minister who is now Minister of Finance. There is the explicit provision, explicitly referred to with pride by the minister in his remarks, to the effect that the guidelines for implementing this legislation are to be established by order in council, are to be set down by the cabinet without reference to parliament. In other words, as it now stands, the teeth, the nature of this legislation, will be established in Cabinet regardless, perhaps, of the impact on Canadians.

[Mr. Clark (Rocky Mountain).]

There is written into the bill the power for the cabinet to reverse the administrator, to say that his decision is wrong. That may be necessary, but it certainly creates the capacity for abuse. It tends to concentrate all power with regard to this measure in the hands of cabinet. Most alarming of all, there is in this bill the capacity to prolong the life of the system of controls beyond the time that is already longer than many Canadians are comfortable with now.

Clearly, when a bill of that kind is presented to the House, a bill which includes provisions for excessive power to be gathered into the centre, there is an obligation upon members of this House to examine the legislation in detail, to scrutinize each specific proposal and to take the time that is necessary in the standing committee not only to seek information, which we must do, but also to introduce amendments which will make the bill a less dangerous example of power concentrated at the centre, a power which might be exercised arbitrarily in a way which would seriously and permanently distort the economy of the country. That is particularly important with regard to this bill, because it was introduced by a government which has been in the habit, since its first election, of gathering control to the centre, of aggrandizing its own power, of weakening the power and capacity to create of other elements of Canadian society and the Canadian economy.

This government has a dangerous record of centralizing power. That is why we must be particularly concerned about what it is to do with this bill which allows it, as it stands, so much latitude. It must be emphasized that we are not dealing here with a temporary measure. This measure will last for three years at least, and may last longer than that.

Many of us, since the early boom in the publication of *Maclean's* magazine as a news magazine, have received in our offices free copies of *Maclean's* magazine. The most recent edition which arrived in most of our offices the other day contained an interview by the editor of *Maclean's*, Mr. Peter Newman, with the Prime Minister of Canada (Mr. Trudeau). That interview assumes some association with the legislation which has been introduced in this House. The interview, according to the preface, took place on September 30, which is 20 days ago. I want to quote what the Prime Minister said 20 days ago about the measure before us tonight, a measure which can have serious and permanent effects on the Canadian economy.

Here is how *Maclean's* reports what the Prime Minister said 20 days ago about controls. Replying to a question, the Prime Minister said:

> But I think every experience I know of—most recently the United States and the British experiences—is to the effect that when you take controls off you begin more or less where you were before.

Maclean's asked, "The economy just catches up," and the Prime Minister replied:

> Exactly. People say, "Okay, we've been held down, or we've been controlled for a year. Now let's hurry up and get those wage increases, those salary increases and those price increases that we've been prevented from getting by the intervention of the state."

That was the philosophy of the Prime Minister 20 days ago. Twenty days ago he said that when you impose a system of controls you are only building up problems. One would deduce from that statement, made before the emergency announcement on television on the eve of two by-

elections, that the Prime Minister opposed controls because he was worried about what happens when they come off.

Those who are worried about the timetable set out in the bill and who know that this government has introduced this legislation, must ask themselves when the controls are going to come off if the Prime Minister of Canada says that the program is not effective if the controls come off. In other words, you must consider what he has been saying in the light of events which have occurred since the publication of the interview. The logic of what he is saying is this: the controls program does not work if it ever comes off.

We do not know how long this period of controls will be. We are told that it will last between three and three and a half years. That, in the view of many on my side, is an alarmingly long time. We know it is all too simple for the majority party in this parliament simply, by its own vote, to extend that period, to extend the capacity of this overly powerful centralist government to continue the program of controls for a longer period. That matter will need to be changed at the committee stage.

Of course the *Maclean's* article raises other questions about the long-range planning of the Government of Canada. Perhaps on September 30 there was no intention at all to bring in this kind of program. Perhaps something occurred between September 30, when the *Maclean's* interview was given, and the night when it was felt necessary to influence voters in Hochelaga and Restigouche by going on national television and announcing an emergency program. Perhaps something happened to change the government's mind.

It is singularly curious that on September 30, 13 days before the Prime Minister's announcement and 20 days before today, the Prime Minister was expressing severe reservations about any program of controls. Yet, 13 days later, he introduced those controls. I shall return to this theme later, because I think there is a serious reason to believe that what we have here is a jerry-built program which was put together overnight without adequate consideration of the consequences, distortions, and disruptions it can cause in the Canadian economy.

My point is that a bill which provides this kind of latitude for a government is dangerous in the hands of any sponsor, but particularly dangerous in the hands of a government which has spent its successive mandates in adding powers unto itself and in limiting the power and creative capacity of other sectors of the Canadian economy. It would be useful, particularly in light of the Prime Minister's statements of September 30, to trace the genesis of these measures, of this legislation.

● (2110)

The Prime Minister, in some unusually eloquent language at a press conference announcing his new ministry, made reference to what he called the law and order kick. That was by way of introducing the nature of the measures that he and his government intended to bring before the session of parliament which re-commenced last week. He said, and I quote:

—the rate of growth of the Canadian economy is no longer as great as it used to be and therefore people are realizing that something is changing. And this uncertainty they have translates itself in socially neurotic behavior. ... This will mean government approach to the whole problem of peace and security, by looking at the criminal code, by looking at such things as gun control, capital punishment, the whole works.

My interpretation of what the Prime Minister was doing at that time is that he was caught between two events. On the one hand, he and his colleagues had planned to bring in no economic legislation to the parliament that began meeting again last week. They intended again a mélange of domestic legislation aimed at social problems; gun control and that kind of thing.

Suddenly the former minister of finance resigned. There was an outcry responding to that resignation. It brought focus to the great Canadian anger and concern about economic conditions. The Prime Minister is at least alert enough to recognize an issue when it stares him in the face. He knew that inflation was the issue. His program was prepared to deal with other problems. His solution was, as he said at the press conference, and I confess to putting words in his mouth, to fight inflation with gun controls. That was the plan. It was undone by the resignation of the former minister of finance, which was apparently unexpected. By the emphasis of the response, the Prime Minister knew the public was angered about inflation.

I do not believe the reason this legislation was brought in was because there has been a profound change in the recognition by the Government of Canada of the seriousness of our economic matters. Instead, I think it was brought in because it had suddenly become an issue at a time when a divisive issue was dangerous to the government.

The most effective and prominent English Canadian minister of the government walked out for reasons he still has not been frank enough to tell us. He had nonetheless quit. He raised concern about the economic situation in Canada. The Prime Minister knew the Liberal party would have a convention later this fall which involves a mechanism for a leadership review. What he did was whomp up an economic program, not designed to meet the economic needs of the country, but to meet the immediate pressing political requirements of the Liberal party.

If I am correct and what we are dealing with tonight and in the days to come is a jerry-built program, a program thrown together at the last minute for reasons generally unrelated to the economic problems of the country, we are in a very serious situation.

This program was thrown together so quickly that the government did not even have time to find a third commissioner. If there had been any planning, surely it would have been able to find the third wheel of the troika.

An hon. Member: They didn't find the second.

Mr. Clark (Rocky Mountain): My colleague suggests they did not find the second. There was some question as to whether they are sure they have found any. Clearly they were so rushed in their planning that they were not even able to find a third person prepared to sit on a board with Mrs. Plumptre and Mr. Pepin. Perhaps that is understandable. It is at least remarkable. It is an indication of the rush with which they proceeded on this front.

It is probably inappropriate to suggest that the results in Hochelaga have left the government with a gentleman to whom a certain debt is owed, a man who has had some

experience on national commissions involved with controls. Perhaps they were anticipating that result when they left open the third chair on the tribunal.

If this is a program put together at the last minute, it involves two very real dangers. First, we have before us legislation with a very substantial capacity for abuse. This legislation could cause serious harm to individuals, and serious distortions in the economy. It may not have been well thought out. It is one thing to have arbitrary powers that were deliberately planned; it is another to have arbitrary powers that are open ended simply because you have not taken time to stake them out or nail them down.

If this program is jerry-built, thrown together at the last minute, and there is evidence to suggest it has been, we are in a situation where the government is asking the parliament of Canada to approve powers that are open ended, not because they need be, but because the Government of Canada did not take time to close them or tighten them up. It would be absolutely irresponsible of this parliament to allow that kind of proposal, if that was its genesis, to move unscathed and unamended through committee and be approved at final reading in this House.

The second danger with proceeding flippantly and without seriousness with the measures announced on commandeered national television the other night is that the government cannot again fail in dealing with inflation. The problems of inflation in Canada, and the effects it has on individual citizens from one coast to another, are simply too severe to go unresolved and unattended.

If the government is engaged in another public relations gesture and it fails, it will undermine not only its capacity to mobilize Canadians to try to deal with problems, it will undermine the capacities of parliament and governments to come. That can be particularly serious in a country like Canada.

I, like many of us, have watched with considerable interest, and one could use other language, the progress of the Prime Minister in office. I think the reality is clear to all of us that during his time of leadership in the country he has not given much priority to economic problems. We know he came to federal politics for reasons that were, by and large unrelated to economic problems. They were legitimate reasons in their own right. They had to do with the nature of participation in the federal public service and federal government by Francophones. That was an important motive to bring a man or men to Ottawa. There may be disagreement from time to time about other programs which that motive has led him to introduce, but I think it is recognized that that is why he came. I think it is also recognized that because of his preoccupation with that question other important questions, notably economic, have suffered from inattention.

● (2120)

We have not seen under his guidance a national economic policy designed to integrate the various components which together make up the economic fabric of Canada. This fault was compounded by the fact that until not long ago economic matters were presided over by a minister of finance whose only interest in his portfolio was to survive it. He was concerned that if he did his job as minister of finance it would prevent him having any chance of doing a job as prime minister. And he preferred his ambition to his responsibilities. Whatever the causes, we were left for seven years without any co-ordinated economic policy.

I have to say to the present Minister of Finance that there was some hope when he was given the portfolio. Few of us on this side of the House, least of all myself, coming as I do from Alberta, have much reason to be endeared to the Minister of Finance. But all of us, I think, have recognized his ability. All of us have recognized his strength. I, personally, was impressed by the report that he apparently wished to leave politics and had to be persuaded to come back to take on his present portfolio.

The Acting Speaker (Mrs. Morin): Order. I wonder whether the hon. member is not straying from the subject. Bill C-73 is an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada. Perhaps the hon. member would direct his remarks to the bill.

Mr. Clark (Rocky Mountain): Thank you, Madam Speaker. I apologize if I appeared to be straying. I was seeking to indicate that we are dealing here with a piece of legislation which has a particular origin, and that it is important for us to understand why it has been brought forward and what its consequences might be. The point I was making is this: there has never been throughout the history of the government a commitment on economic issues such as would lead naturally to the kind of program we are considering here tonight. If any praise of the present Minister of Finance will result in my being accused of straying from the topic, I shall not praise him again. But I still say there had been some hope that his ability and his acknowledged strength would bring a change, and would at least pull together the strands of national economic policy. However, we must say, further in that regard that his performance in the debate on this bill has been disappointing because it confirmed some of our worst suspicions about him.

Mr. Macdonald (Rosedale): I feel a lot better now!

Mr. Clark (Rocky Mountain): No program of controls will work in the absence of some degree of consensus, and it is certainly the responsibility of the Minister of Finance to seek such a consensus. Instead, the minister in his remarks engaged in personal attacks on the Leader of the Opposition (Mr. Stanfield), the leader of the New Democratic Party (Mr. Broadbent), and others in the House. Once again he revealed his penchant to divide. He is, unfortunately, a divider by nature. But, by duty, he must be a unifier, and what causes concern to those of us who want to see this program work is the early evidence that his nature is appearing to triumph over this duty.

Mr. Macdonald (Rosedale): Come on, you are laughing yourself, Joe!

Mr. Clark (Rocky Mountain): No, it is not a laughing matter. It is a serious matter, because legislation of this kind can only become effective if there is a feeling of respect among the various elements in the economy, and it is a primary responsibility of the Minister of Finance to seek to achieve such a consensus and not to attack and divide, as the minister did in his opening address.

I suggest that two elements are essential if this program is to be taken seriously. First, the government must demonstrate leadership. It must try to unite people, including political parties, on this question. The Prime Minister must be involved, not on some television circuit arranged by Dick O'Hagan, but here in the House of Commons, bringing his own capacity for leadership into the issue. Second, there has to be a firm demonstration that further action is to follow—that the measure before us is not presented in a vacuum. An assurance must be forthcoming that this program of controls, which some of us suspect were thrown together at the last moment, will be accompanied by other serious measures. We expect the government to show much more determination about cutting down its own expenditures, thus giving the kind of leadership which is so important if a program of control and restraint is to be effective.

Unfortunately, the government has been playing a con game, concealing the real growth in its expenditures and in the role of the administration. Before the last election ministers claimed there had been an increase of only 11 per cent in the growth of government expenditures during the past fiscal year. Then, after election day, they brought in supplementary estimates which boosted that increase to 30 per cent. That is an indication of the attitude with which the government approaches its responsibility in the area of economic leadership. It is the kind of hocus pocus we must steer away from.

What is required if this program is to be effective is early and firm evidence that it is part of a package, that it is not the only hard piece in a set designed by Dick O'Hagan; there has to be an indication that the government is serious about moving on other economic fronts and that it is serious about cutting back some of its expenditures.

There has been too much ad hocery on the part of the government. Ministers have been making gestures toward the important problems of the day, but it is not enough in a time of industrial unrest to say simply that a committee is looking into the situation and that hopefully something will emerge, as the minister did the other day. It is not enough, when confronting the issue of the effect of power groups on the economy, for instance, simply to order an investigation—not because it is a continuing problem but because an embarrassing particular problem has been raised by the aspirations of Power Corporation; the government was looking for a way to avoid it, and that is how we got into the Bryce Commission. As I say, too much use is made of the ad hoc approach. This is very much in the nature of the former minister of finance who is very big on cosmetics but who did not undertake to provide Canada with the leadership it needed in dealing with various economic issues.

All of us who have talked to Canadians during the recess have become aware of the seriousness with which individual Canadians are viewing inflation. Small businessmen are wondering about their capacity to keep their businesses going. The problem is very deep, and the sense of despair about the government's recognition of the problem is very deep.

● (2130)

Somebody asked me the other day: "Do any of you guys in Ottawa realize how serious things are?" I think that question is being posed at one level or another, in one way or another, by people all across the country, because people believe the problem is a serious one, one that requires response.

We on this side have indicated for a long time now that we are prepared to support any serious initiative that is taken, provided that there is a demonstration that the situation is crucial, providing there is a demonstration that, along with the controls and the excessive power which is given to the Minister of Finance, there will be action on other fronts and leadership of some other kind. I repeat what others on this side of the House have said. We are prepared to support in principle the measure that has been introduced so long as we receive demonstrations that the government is serious about this program, so long as we receive the kind of information that we will require in the standing committee and the government is responsive to some of the amendments we will be introducing to limit excessive powers which appear, on the face of the bill, to be granted this government.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I have been very interested in the debate today and in the fact that on occasion the Chair has had to call members to order for not talking about the bill. I think the comments which have been made show how difficult it is to follow this piece of legislation.

The backbenchers in the Conservative party have been defending the idea of controls so long as they are removed after a short period of time. Somebody says after 90 days. We have just heard the backbenchers in the Liberal party make a great about-switch; I get the impression that this bill does not really matter to them at all. The principle is not involved. There has been little discussion of the principle of this bill.

The Conservatives have developed their policy over a period of time, but it is a policy with which I disagree. They know what their policy is and so do I, and I disagree with it. On the other hand the backbenchers in the Liberal party do not know what this is all about. They do not understand it. They are for the bill now because the Minister of Finance (Mr. Macdonald) has had to come up with a program in a very short period of time. So the members on that side are now for the bill. They were against it before, but perhaps they were mistaken. In any event, the climate has now changed, and as we are a long way from an election they say perhaps it is a good idea since the minister says it is just that.

That raises another interesting question. I should like to know why the former minister of finance quit his portfolio. Did he want stronger controls or less controls? Did he learn something in the international arena about the finances of Canada in relation to the finances of other countries that we know nothing about? Or did he just happen to decide to leave the ship? The new Minister of Finance was about to leave the ship as well and go back to greener pastures, but he decided to stay on and put through this piece of legislation. A large number of senior civil servants also left during the last year. Were they in

favour of these controls while the government was not, or were they not in favour and some government members were in favour of them?

Members are being called to order for not talking about the bill, but let me tell you, Madam Speaker, that I have been here for a long time and I have read a lot of bills. I have not understood all of them but I did at least have a pretty good idea of what would be their effect. I was absent when the white paper was published and I had about the same opportunity that the general public had; I heard the Prime Minister (Mr. Trudeau) address the public on television, like Churchill but not nearly as well or as effectively. I do not think he put the message across in a way that is going to get much support, because the public have less faith in him and his ability to solve this problem these days. I listened to his pitch on television and I did not understand it. I talked to my constituents, and they said that they could not understand it either.

I have now read the bill but have not been able to get anything from it. If you are able to tell hon. members, Madam Speaker, that they are out of order because their remarks do not relate to the bill, then congratulations. There is really nothing in the bill that is definitive in any way, shape or form. The only date in the bill is the date it comes into effect, which is the date of the television program. The bill has no proclamation period, and there are no regulations or guidelines. The bill merely indicates that there will be wage and salary controls.

If hon. members want to know anything about this legislation they will have to read the white paper, which I presume is the guidelines. However, it really depends which publication you have. The last one I received was considered to be the minister's speech, the "Program for National Action". The first publication was the highlights, and the "Program for National Action" is the same information but under a different cover.

If this legislation is going to be effective it must have the support of the Canadian public. The Canadian public must recognize that there is a problem to be faced and they must be willing to make sacrifices. They must be sure that the situation is the same for all and that that is the way the problem will be solved. If that is the program the government is trying to sell, I suggest it scrap the program outlined in its "Attack on Inflation". Anyone reading that will be aware that this legislation has absolutely nothing to do with prices as they affect the individual. There is no indication of legislation there.

The board that is going to be set up will involve the employment of between 200 to 500 people. What is a woman to do if the price of baby food, or a package of cereal, or a piece of meat, or a can of vegetables goes up 10, 15 or 20 per cent? Her husband's wages are frozen. Is she to write to her member of parliament or to all members of parliament? I suggest she would have to mimeograph her letter and run off 700 to 800 copies, which she would send to all members of parliament, Senators, and members of the Anti-Inflation Board; she will be wasting her time but it will probably make her feel better.

There is no machinery in this bill to control prices. If the housewife, the worker, or indeed anybody is to believe in this program, it must work fairly and equally for everyone. Wages are very easy to control. If I had been asked to come up with a program and I had been told by senior civil servants that this legislation is what I require I should have left out the part of the bill dealing with wage and salary controls, and instead controlled prices, because if you control prices, wages do not need to go up.

● (2140)

Many people forget that the figures being bandied around in relation to wage increases are 45 per cent and 50 per cent, but are related to long-term contracts, probably over three years, covering the year that has gone by and two years in the future. Everyone knows the cost of living has gone up 12 per cent, so you project the 12 per cent over the three-year contract and you arrive at 36 per cent. The workers want an increase over that of perhaps only 5 per cent, and that does not seem to be unreasonable, but it gives you another 15 per cent over the three year period and you wind up with the 50 per cent increase. All they are asking for is enough to stay even and maintain the standard of living to which they have become accustomed. This obviously is not an inflationary factor.

There are many things which are inflationary that are not mentioned. It is easy to control wages and salaries. That is relatively simple because there is usually a third party involved who is only too happy to control them. When you attempt to control the price of commodities then you run into great difficulties. Except during the war we in this country have never been able to control commodity prices in any way, shape, or form. During the war we accomplished this at the expense of one very large segment of our economy, namely, the agricultural segment. We appealed to those in the agricultural industry more than to anyone else to hold the line and keep down prices as their war effort. They did an admirable job, but they have been paying for it over the years since, as they have never really been able to get their prices up to the necessary level. It is easy to control wages, but it is impossible to control prices under our system.

I have looked at these proposals as they relate to the people in my area, and people in all parts of Canada, who belong to unions and who have been out on strike for some period of time. They now want to make a settlement but they do not intend to accept 8 per cent plus 2 per cent.

There are to be some exceptions, but how one obtains an exception no one seems to know. Maybe Jean-Luc can make an exception if he wants, or maybe Mrs. Plumptre can exempt someone.

An hon. Member: How about the minister?

Mr. Peters: I am not sure that we would want to ask the minister, nor am I sure that that should be his job. I am sure it is not going to be the little guy in National Revenue in Sudbury who will make that decision. When I asked him about the subject he said he had sent all that information to me yesterday by telex. I think he assumed I was in the department for which he was working. This was not an inquiry as far as he was concerned. He thought I wanted his name again, and he had already sent that in by telex the day before. These people are not going to be in a position to make exceptions.

Many exceptions will be made and, as soon as one is made, then as far as the average individual is concerned

there is no equality. It is a little bit like 50-50; that is, one horse and one rabbit, and most of the workers I know are going to fall in the rabbit category. This procedure of allowing exemptions will, in my opinion, create a nightmare that will be impossible to handle.

Inflation is a very complex thing. I was never too worried about inflation, and I guess most Liberals were not worried about it until very recently. They believed they could handle inflation in a relatively simple way. Many of us have not been particularly concerned as long as our productivity kept up with the inflationary rate. There did not seem to be anything too much wrong as long as that was the case, except you had to have a bigger wallet and carry more money, and the bills got bigger, but then again the amount you were receiving was larger so nothing really had changed. Instead of paying $1 for something you pay $2. But as long as you are getting twice as much it does not make any difference.

The difficulty results from the fact that inflation is now running at about 12 per cent per year. It is interesting to note the predictions which are being made as a result of this anti-inflationary legislation on which the government is going to stake its very existence.

What is this legislation going to mean as far as the financial institutions are concerned? They gave an indication in a survey carried out by about 10 of their corporations. They predict that the growth in national product will continue in 1976 at a rate between a low of 1 or 2 per cent to 5.8 per cent. This group of ten includes the Toronto-Dominion Bank, the Royal Bank of Canada, the Bank of Montreal, the Bank of Nova Scotia; in other words, all our banks.

These corporations indicate that the consumer price index is going to increase next year with fully implemented controls in the range of about 9.5 per cent to 12 per cent. There is a low of 8 per cent predicted by the Dominion Securities Corporation.

What do these corporations consider the unemployment rate will be with full controls? The Royal Bank says the unemployment rate for next year will be between 7 per cent and 7½ per cent. The Toronto-Dominion Bank says the unemployment rate will be 7.3 per cent. Wood Gundy says the unemployment rate will be 7.9 per cent. The Bank of Montreal says it will be 7.6 per cent and, the Bank of Nova Scotia predicts 7.8 per cent. So most of these financial institutions feel the unemployment rate is not going to change, because these predictions fall within the range of unemployment at this time.

What do these institutions say about the growth of corporate profits? They indicate the growth will continue in 1976 in the range of from 8 per cent to 15 per cent. It is interesting to note that the Royal Bank considers the growth rate will be 12 per cent, the Toronto-Dominion Bank says 8 per cent, the Bank of Montreal says 13 per cent, the Canadian National Bank says 8 per cent, and the Imperial Bank of Commerce predicts it will be 10 per cent.

It does not appear to me that the government has accepted the advice or the predictions of the heads of some of these financial institutions, yet the minister must discuss the situation with some of these experts on the economy.

Let me refer to predictions in respect of housing starts with these full controls. It is in this field that you can influence the social climate because there is a great need for housing in Canada. You can also influence the unemployment rate by building more houses. The Royal Bank predicts 200,000 housing starts for next year. The Toronto-Dominion Bank predicts 225,000. The Bank of Montreal says we can expect 210,000 and the Bank of Nova Scotia says there will be 215,000 housing starts.

The prime interest rate with controls in 1976 is projected to run from a high of 12 per cent to a low of 9.5 per cent. Most of the banks are predicting interest rates of 10¼ per cent to 10½ per cent. Let me just read several comments made by the banks regarding the effects of controls.

Greenshields Inc. says in respect of the effects of the control program in 1976 that the government has to create credibility and acceptance, but there will be slow progress toward price improvement. The Royal Bank of Canada says that controls mean little since prior anticipation has reduced their effects on forecasts. The Toronto-Dominion Bank predicts a slightly lower rate of growth with increased unemployment as the price of controls.

An hon. Member: We are going to roll back prices.

Mr. Peters: You are going to roll them back, but that is not going to be done by this piece of legislation. I am not saying this myself, but rather I am quoting what some of the banks have indicated will be the effect of controls. The Bank of Montreal expects little impact during 1976 but some possible negative effect on growth in 1977 and 1978. The Bank of Nova Scotia says that controls may lower the growth rate to about 4 per cent in 1976 but may be beneficial in the long term. The Banque Canadienne Nationale predicts that the controls will have little effect on inflation but will have a more retarding effect on growth, and will lower consumption and savings.

● (2150)

If one looks at all the predictions made by our financial institutions it will be seen that they really do not say this program will have any beneficial effect on the economy, but rather, according to most of the predictions, that it will have a detrimental effect on employment. In my opinion there is no machinery that will have any effect on the cost of consumer goods.

It is very easy to do what most people do; they blame labour for their problems. It is a very interesting psychology. I had an opportunity to speak to some workers on a picket line. They had been on strike for a matter of seven or eight weeks. They were interested in talking to me, but rather than speak about their problems or their strike they were interested in talking to me about the terrible state of affairs that would develop if the postal workers went on strike.

One can see that it all depends on where one is sitting, and whether one is having some difficulty. Most of these people who were on strike were not in difficulty but were assuming there would be a difficulty if someone else went on strike. So, it is easy to focus attention on the labour movement and say that everything will be solved if there are cut-backs. It would be very difficult for most uinons to get any benefits out of the COLA clauses, which are the

cost of living clauses contained in some contracts, if the cost of living were not increasing so rapidly.

This reminds me of the time when the national director of the steel workers' union spoke at a conference which I attended. He raised the roof about the COLA-type clauses in the contracts because he found that the workers ran down to the post office and got the increase from the post office rather than through union negotiations. The higher the cost of living went the more money these people received, and they seemed to believe this was an acceptable situation. The national director of the union at that time said that the two things should stand on their own. He said that the workers should bargain for their increases and that any increase in the cost of living should be handled in a separate way rather than through a COLA contract. We are and have been for some time faced with the problem of workers trying to catch up.

I should like to ask the backbenchers of the Liberal Party, particularly the members from British Columbia, a question about the situation in that province. In the province of British Columbia there have been many strikes, and the cost of living and the cost of welfare are very high. The myth has been built up concerning the beautiful weather on the west coast, a land of milk and honey. The young people who are growing up do not celebrate by getting drunk but rather by going to British Columbia, where they end up spending six or seven months enjoying British Columbia hospitality. They have added to the problems of British Columbia.

The cost of living there is exceedingly high. Labour demands are exceedingly high, and there have been a large number of strikes. I should like to ask the members on the government side from British Columbia how they justify what I imagine they would consider to be a reasonable situation if, when after a period of time the labour disputes had not been settled in that province, the province of British Columbia took rather strong measures and said that everybody had to go back to work, that the contracts had to be settled, and then the federal government came along with this kind of control program which has no relationship to the negotiations which had taken place and which has no relationship really to the proposals of either the companies or the workers.

A number of things are different in that province. Much of the difficulty in the lumber and pulp and paper industry was caused by the desire of the industry to unload inventory and to obtain an increase in the price of its products on the international market, both of which would provide more money for a company. Of course the company was not unrealistic in its belief that this probably would mean an increase for the workers in that industry as well. However, I should like to know what the answer will be to this problem now. Will the British Columbia government go to the people in the case of British Columbia versus the federal government again, as has been the case in respect of the provinces? Is that really what this is set up for Madam Speaker? If this is the situation, then it would seem to me that the program is rather divisive and in the long run really will not produce the desired results.

[Mr. Peters.]

I believe that if this program is to be realistic, and we just set about doing something inside Canada without taking into consideration international markets, international sales and international exports, we will have to develop a very strong national purpose. It seems to me that that national purpose should be spelled out very clearly, and that equality under that national purpose must be guaranteed. From my reading of this bill I suggest there is anything but a guarantee that it will have the effect of equality between the amount of money the workers and the salary earners in this country need and the amount of money that is necessary for the other segments of the economy. It is wage control; it is not, in any shape or form, price control. May I call it ten o'clock, Madam Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL REVENUE—PROPOSAL TO OBTAIN BUILDING FROM AIR CANADA FOR COMPUTER CENTRE IN WINNIPEG—REQUEST FOR REPORT

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I wish to discuss the placing of a new national revenue tax data centre in a CAE aircraft building at 570 Ferry Road in Winnipeg. The official announcement was made in Winnipeg in September.

I placed a question on the order paper in regard to the costs of renting and renovations which would be required to this CAE building. In the answer I received, the federal government stated that it would be renting the building for three years and the federal Department of Public Works would be spending $1,760,000 on renovations. Why is the government paying for the renovations? I understand that the government is paying CAE approximately $4 per square foot for rent when the going rate for this type of building is approximately $2.50 per square foot.

It appears to me that we have the makings of a monstrous blunder and one that will cost the Canadian taxpayer untold millions. Why didn't the Department of Public Works call for tenders for a new building to be built which could handle the department's needs for years to come? As the government has stated, a permanent home for the tax data centre will be built at an established cost of $15 million within four years. It is quite apparent that there has been no long range planning.

When you take into consideration the interest to be paid on the $1,700,000 for renovations, the moving costs that are involved, and the added inconvenience of moving, an entire new building could be erected for the amount that will have to be spent.

In my research into this transaction I contacted experts in the construction industry who informed me that if you were to add up the interest charges on $1,700,000, the rent at approximately $4 per square foot, and the operating costs—in a leased building the owner pays all the operating costs—for the three years it will cost the government

approximately $15 per square foot. However, if the government were to erect a new building, the cost would be approximately $8 a square foot, or $611,000 less in rent and interest charges per year.

● (2200)

In short, it is costing the government double in rent and interest charges to take the CAE building rather than leasing a new building in which case allowances could have been made for future expansion, saving millions of dollars over the years. Four other tax data centres are being planned for across Canada, and all I can hope is that the building negotiations are not being handled in the same way.

I would like to raise another two points. The construction of a new building would have been completed in a shorter period of time than it is taking to renovate the CAE building. The renovations are nowhere near completion, and I cannot foresee the government meeting its deadline of January 1, 1976, to start its decentralization program.

Is this another costly blunder similar to the move made by the federal government and Air Canada in having CAE overhaul the obsolete Viscounts which are still not airworthy, in an effort to appease Manitobans at a cost of millions? These Viscounts are now just rotting at the Winnipeg airport.

Perhaps the Minister of National Defence (Mr. Richardson) can throw some light on this tax data centre deal with the CAE. Did he by any chance pressure the government to place the data centre in the CAE building so that he could say that he had obtained another contract for CAE and western Canada? If he did do this, this is not the type of under the table deals that Canadians want.

In an answer to my question on the order paper it was stated that the Metropolitan Estates Properties Corporation had submitted a tender to construct a new building but the government had turned down their offer. I hope that tonight the parliamentary secretary can inform the House what was in the Metropolitan Estates Properties Corporation submission, and also provide the Canadian public with a complete explanation of this whole transaction.

In closing, I would say that at least $4 million to $5 million of taxpayers' money could have been saved if a new leased building had been obtained in place of the temporary renting of the CAE building.

[*Translation*]

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Madam Speaker, I carefully listened to the statement of the hon. member for Winnipeg South Centre (Mr. McKenzie) and I congratulate him as well as the hon. member for St. Boniface for their interest in the government project for greater Winnipeg. The Parliamentary Secrtary to the President of the Privy Council (Mr. Blais) has already replied to the hon. member and I am advised that the Department of Public Works has no further information to give at the present time.

[*English*]

NATIONAL DEFENCE—EFFECT OF ANTI-INFLATION PROGRAM ON CHOICE OF LONG RANGE PATROL AIRCRAFT

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I rise because of the unsatisfactory answer given to a question of mine last week, on October 16, when I inquired once again about the government's plans for purchasing long range patrol aircraft. At that time the Minister of National Defence (Mr. Richardson) said:

> Mr. Speaker, major decisions on procurement are before the cabinet at present in the form of the forces structure review and when the decisions have been reached they will be announced in the usual way.

This is the same kind of answer we have been getting for several years.

If one does not buy any clothes for years, then one's entire wardrobe needs replacing. This is the situation with Canada's armed forces. Since the Prime Minister (Mr. Trudeau) came to power, no equipment replacement program has been initiated and brought to fruition. Now everything needs to be replaced—tanks, planes, and ships. The false economy of postponing expenditures is exemplified in the long range patrol aircraft replacement fiasco.

On March 17, 1969, Mr. Cadieux, then minister of national defence, said that a replacement for the Argus was "under active consideration". In the six years plus since then the pages of *Hansard* and the minutes of the Committee on External Affairs and National Defence are dotted with promises and assurances that progress was being made. This glacier-like progress eventually resulted in the present Minister of National Defence announcing that the choice was down to four companies, then in 1973 down to two.

This led to a "contract definition phase" in which, curiously enough, Canada was to pay Boeing and Lockheed something over $11 million to make sales pitches to us for their product. The proposals were to include performance capabilities, technical specifications, production schedules, and costs of the aircraft, as well as the employment opportunities and industrial benefits which would accrue to Canada. In November of 1974 the minister stated unequivocally that the decision would be taken in April, May, or June 1975. The prices in the submissions would hold, provided the contract was signed by August 2, 1975.

It looked as if the government had finally been backed into a corner where a decision would have to be made, but one should never underestimate this government's ability to procrastinate, particularly in defence purchases. The questioning continued through the winter, and last spring we were assured that everything was going according to plan. Then, on July 25, the Department of National Defence issued a very short press release which repeated that the proposals had been narrowed down to two, and then stated that "as the decision cannot be made separately from the government's plan to restructure the Canadian air frame industry, the decision on the long range patrol aircraft has been deferred until later this year."

This is how $11 million was wasted—to give the government two years to procrastinate. If any further evidence were needed to testify to the extinction of the contract definition plan, it was supplied by the minister's statement last week that Canada was now considering pur-

chase of the Orion P-3C "off the shelf". Gone was the necessity for a Canadian involvement in construction. Gone was the necessity for Canadian manufacture of the necessary electronic and surveillance systems. And gone also was $11 million.

Last month I attended the North Atlantic Assembly meeting as leader of the Canadian delegation to the military committee of that august body. On the first morning of the meeting the rapporteur of the military committee, whose job it is to prepare a general report on the security of the alliance, came to see me about what I agreed was a matter of some urgency. It had been suggested to him that the following statement should be included in his general report on the security of the alliance as a new paragraph 9(a). It reads as follows:

> The situation regarding Canadian military forces is far from satisfactory; the strength of their active forces has been reduced and no decisions have been made to replace major items of equipment for the land and air forces which have now become obsolete. A review of Canadian forces this year is likely to substantiate even more strongly the picture of Canada as a country determined to participate actively in, and influence the political councils of NATO, anxious to maintain her economic links with Europe, but unwilling to make a contribution to alliance defence which is commensurate either with these aspirations or her economic strength.

I was able to convince the rapporteur not to include that as it was too embarrassing for an all-party delegation to NATO, as it was the fault of only one party in this parliament—mainly a very selective group of the Prime Minister and the Minister of National Defence.

When we tracked back to see where the idea to include this paragraph originated we discovered it came from a person holding rank at the assistant secretary-general level in NATO, one can only assume this is the true opinion that NATO has of Canada as an ally.

I regret to say that both the Prime Minister and the Minister of National Defence frequently return from NATO and tell us that all is well, when such is not the case. When I receive an answer such as I did the other day to a legitimate question about the LRPA replacement, that is not good enough for this parliament, not good enough for the people of Canada and most particularly not good enough for the men and women of our armed forces who have been so misled, misinformed, and deceived by the Minister of National Defence and the Prime Minister.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Madam Speaker, from the language used by the hon. member it seems rather obvious that he is more interested in debate than an answer.

With regard to the question, it is pretty much a reiteration of the question he posed to the minister last week. As he himself has stated tonight, in response to his question on the procurement of new aircraft, specifically long range patrol aircraft, I can only repeat what the minister has said. The program is currently before cabinet in the form of the forces structure review, and when decisions on the matter have been taken, they will be announced.

● (2210)

The hon. member is also aware, although his words tonight did not indicate his awareness, that Canada has every intention of maintaining its level of contribution to the NATO alliance. The form in which this contribution will be made is also being considered as part of the defence structure review.

I, personally, spent a week at NATO headquarters last spring and certainly did not note the kind of atmosphere to which the hon. member referred this evening. I found the morale of the people there very high and all our allies, including the Secretary General of NATO, showed a high appreciation for the part Canada plays in NATO.

[Mr. McKinnon.]

PENITENTIARIES—PROPOSED INSTITUTION AT MORNA, NEW BRUNSWICK—GOVERNMENT POSITION IN VIEW OF OBJECTIONS

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, under date of May 23 the Solicitor General (Mr. Allmand) advised me by letter of plans to construct a new medium security institution in that part of the city of Saint John which is part of the constituency of Carleton-Charlotte.

Upon receipt of the letter on May 29 I phoned the minister's office and requested a map to show the exact location proposed for the institution. Despite repeated requests by telephone to the minister's office and in person to the minister, no map was supplied. On July 9 I wrote to the minister, repeating my request for the map. It was my intention to send a letter to all boxholders in the area concerned, to determine what their wishes might be in respect of the location of a penal institution in their neighbourhood. Without such information I would not be a reliable source of information for the minister. It would be meaningless to submit a questionnaire without knowing the exact location of the proposed site.

On July 28 I eventually mailed the questionnaires to the residents of the west Saint John area of the Carleton-Charlotte constituency. On the same day we learned that there might be another possible location for the institution and additional questionnaires were sent to the Lepreau-Maces Bay area of the constituency.

Under date of July 29 the map arrived at my office. Although the questionnaires had been mailed, the map was forwarded to the Saint John daily paper and published. This was helpful for those who answered the questionnaire.

In response to the 1,600 questionnaires, 450 people expressed their wishes. In the result, 94 per cent said they did not want the institution built in the area, 1 per cent were undecided, and 5 per cent favoured the west Saint John location. Such a number of replies and the resounding no makes it absolutely binding upon me to ask the minister to choose another location.

Since the first suggestion that a medium security institution should be built in the Saint John area, the public has protested bitterly. A petition against its location bore 1,400 names and was presented to the Common Council of the city of Saint John. This was supported by letters to the editor and an editorial in the Saint John *Telegraph Journal* of August 6, 1975. I quote the editorial in part, to reflect the feeling of the editor, as he, in turn, reflected the sentiments of the residents concerned. Referring to the map, the editor said:

It shows, with somewhat shocking clarity, just how close the proposed new federal prison would be to built-up residential areas of Saint John.

I made the first appeal, on behalf of my constituents, in question form to the minister; on July 9, 1975, I asked him to change the location, as recorded in *Hansard*, page 7390. On September 19, in response to the overwhelming opposition expressed in answer to my questionnaire, I wrote to the minister, saying that, "You may adjust your plans in accordance with the citizens' wishes." On September 30 I had a phone call from a reliable source—I am sure the minister agrees that the source is reliable—saying that the minister never received any letter of protest from me. This took place 11 days after the letter was sent by hand to the minister's office. The letter was acknowledged by a member of his staff on September 24, 1975. The minister is reputed to have said that since he did not read the Saint John papers, he was not aware of the protests. The message had been delivered, but the mail did not reach his desk apparently.

Again on Thursday last I asked the minister if he would reconsider, as reported in *Hansard* at page 8260, and again the answer was no.

On behalf of those who live near the proposed site, I say the minister must build elsewhere. Dorchester needs and wants increased employment. I ask the minister to read the *Globe and Mail* of August 25, 1975, and to ask the Minister of State (Fisheries) (Mr. LeBlanc), the representative of that area.

The Blue Mountain minimum security site is still in the hands of the government. Some of the facilities at least are in place. I believe that the hon. member for Northumberland-Miramichi (Mr. Dionne) has invited the minister to build there. In view of these options, one writer said "This seems completely absurd."

The minister asked for my opinion and my support. I cannot give my support for the location in the west Saint John area. I must ask in the firmest manner that he not authorize the construction in west Saint John, Mace's Bay or Lepreau, unless of course he would be as politically unwise as the advice of Mr. Therien, the federal penitentiary commissioner, would have him be. I ask the minister to look at the October 14, 1975, issue of the *Telegraph-Journal.*

The institutions are wanted and needed in some areas. Accept the invitations. Do not thrust your unwanted presence onto the people of west Saint John.

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Madam Speaker, may I first assure the hon. member for Carleton-Charlotte (Mr. McCain) that it is the intention of the minister and the department to give every consideration to public opinion in that area. In fact there has been ongoing consultation between all levels of government with respect to this matter.

This matter was raised in the House of Commons during the oral question period on Thursday, October 16. In answer, the Solicitor General (Mr. Allmand) indicated that he had not abandoned plans for the construction of a penal institution in the Morna neighbourhood in the city of Saint John, New Brunswick, at this point because the government had received approval in principle from the New Brunswick provincial government and from certain persons associated with the government of the city of Saint John. He also indicated that a further meeting of the council of the city of Saint John was to be held shortly and that he would await the decision that would follow that meeting. In fact a meeting of the council of the city of Saint John is to be held in the near future at which our application to purchase property in the Saint John area will be presented.

The five year construction plan of the penitentiary service in the Atlantic provinces provides for the construction of a new maximum security institution in Dorchester, New Brunswick, some medical facilities in Nova Scotia, and the construction of a medium security institution in close proximity to the city of Saint John, New Brunswick.

The penitentiary service believes that there is a need for an institution at close proximity to the city of Saint John as a number of inmates are native to the area and would like to re-establish themselves there upon release. As a result, it is planned to construct a small institution to house approximately 180 inmates in a medium security setting. The inmates who will be incarcerated there will be classified as not dangerous, and with the improved security perimeter system and dynamic security program, the risk of escape will be appreciably reduced. The penitentiary service's experience shows that such an institution does not have a depressing effect on the morale of a community and does not inhibit the normal pursuits and activities of its citizens. The site at present under consideration appears to be suitable for that purpose.

● (2220)

The City of Saint John is being consulted on all aspects of the location and development of the proposed institution. I wish to assure the hon. member that any decision on whether or not to proceed will take into full consideration the outcome of the consultations between the penitentiary service, the federal Department of Public Works, and the Council of the City of Saint John, as well as the outcome of surveys of community opinion. As stated by the Solicitor General in his answer to the question I referred to earlier, if there is overwhelming objection to the site, consideration will be given to abandoning this plan.

I, as a member for this area, the city of Ottawa, have no trouble whatever in obtaining from the council any plans that I need with respect to specific locations, and I suggest to the hon. member that he could obtain the information he needs through a similar channel. I realize that throughout the summer months it is not as easy to obtain information as when the House is in full swing—

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. gentleman but the time allotted to him has now expired.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, October 21, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

REQUEST FOR STATEMENT ON CANADA-UNITED STATES POSITION ON EXTENSION OF FISHING ZONES—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43. Recent moves by Mexico, Iceland and other countries, including the United States, toward declaring unilaterally 200 mile fishing zones indicates a growing dissatisfaction with the pace at which the Law of the Sea negotiations are progressing. In addition, there appears to be a consensus amongst learned participants at the conference that in spite of statements by Canada, real progress was not made. Further, as declared yesterday at the APEC meetings, any action by Canada in the declarations of action depends on the initiative of the United States.

In view of the fact that the United States has declared its intention in Congress to impose a 200 mile fisheries zone, and in view of the fact that this contradicts a statement by the foreign secretary of state that his country agreed with the position of Canada to continue to negotiate internationally, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House orders that the Secretary of State for External Affairs make a statement on motions at the earliest opportunity to disclose all factors arising out of recent Canada-U.S. meetings on fisheries held in Ottawa on their relative positions vis-à-vis the declaration of fisheries zones.

Mr. Speaker: Rule 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR PAYMENT OF RETAIL DISCOUNT—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with a vital issue.

Since the core of the inflation problem resides in prices, taking into consideration the fact that most price controls throughout the world have failed and since also such controls have induced imbalances throughout the world generally, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House consider immediately the opportunity of subsidizing the consumption of food products through a retail discount whose main effect would be to lower the price of those products to make them more readily available to the entire Canadian public.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

[*English*]

PROPOSED COMMITTEE STUDY OF REASONS FOR REDUCTION OF SURVEILLANCE BY PATROL VESSELS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of dramatically urgent and pressing necessity, particularly in view of our pretensions to make jurisdictional claims out to the 200-mile limit and beyond. The necessity arises from the fact that fisheries patrol vessels on our two coasts are in imminent danger of having to cut back drastically, perhaps even cease, temporariiy, their surveillance and patrol operations through lack of resources, and this only halfway through the fiscal year. For that reason, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this House approve immediately an appropriate reference permitting the Standing Committee on the Environment to meet without delay to examine the rootcauses of this deplorable situation and make recommendations as to how it can be remedied.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Income Tax

NATIONAL REVENUE

PROPOSED COMMITTEE STUDY OF LEASE FOR BUILDING FOR TAX DATA CENTRE AT WINNIPEG—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion on a matter of urgent and pressing necessity.

My motion arises out of a matter I raised in the adjournment debate last evening and the complete non-answer I received from the Parliamentary Secretary to the Minister of Public Works (Mr. Cyr). Perhaps those on the other side of the House do not consider the waste of millions of taxpayers' dollars on a totally inadequate building for the new tax data centre in Winnipeg a matter of importance.

Mr. Speaker: Order, please. If the hon. member has a motion perhaps he could put it.

Mr. McKenzie: I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the government's blunder in entering into a costly lease for the CAE building to house the tax data centre in Winnipeg be referred to the Standing Committee on Public Works, that the committee be empowered to call for all documents concerning this matter, and that the Ministers of National Defence, Public Works, Justice and National Revenue be called before the committee to explain their role in this misapplication of public funds.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INCOME TAX

SUGGESTED EXTENSION OF PROVISION PERMITTING DEDUCTION OF LOSSES FROM INVESTMENTS IN RENTAL APARTMENT PROJECTS—MOTION UNDER S.O. 43

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgency. In view of escalating rents and severe shortages in rental apartment accommodation, in view of a seriously insufficient number of new apartment starts and in observance of the successful stimulation in the past of new apartment building projects provided by the ability of persons to deduct losses resulting from investment in such projects from their taxable income, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House recommend to the government and the Minister of Finance that the period enabling individuals to deduct losses resulting from investment in new rental apartment projects from their taxable income as provided for in the budget of November 18, 1974, be extended beyond its December 31, 1975, deadline.

Mr. Speaker: Is there unanimous consent for this motion as required by Standing Order 43?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*Translation*]

CONSUMER AFFAIRS

PROPOSED COMMISSION TO STUDY DIFFERENTIAL IN GASOLINE PRICES—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion of pressing public necessity and importance.

Since there can be a difference of as much as 10 cents a gallon between the cost of gasoline bought in Montreal and Abitibi or Gaspesia, for example, and since this difference is not proportionate to the cost of transport, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That a standing committee of this House be requested to examine the reasons for this tremendous difference between the price of gasoline from one area to the other and to make recommendation to the House to take necessary steps to prevent that areas such as Abitibi and Gaspesia, among others, suffer from disproportionate gas prices as compared with other areas of the country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

OLYMPIC GAMES

PROPOSED COMMITTEE STUDY OF FEDERAL COMMITMENTS ON COST AND ADEQUACY OF CONTROL MECHANISM—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion on a matter of urgent and pressing necessity. My motion arises out of recent reports from Montreal indicating that the cost of the 1976 Olympics is likely to exceed $1 billion, a cost estimate which, I gather, does not take into account the added costs certain to result from labour disruptions of the kind we now have at the Olympic site. I well realize that this government takes the position that these soaring costs are someone's else's problem. But the fact is, as we all know, that the federal government itself has heavy direct—

● (1410)

Some hon. Members: Order!

Mr. Speaker: Order, please. If the hon. member has a motion, will he put it forthwith?

Mr. Jelinek: In order that we in parliament as well as the people of Canada might have a more up to date and complete accounting of the federal position on this matter, I would move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the Standing Committee on Miscellaneous Estimates be ordered forthwith to inquire into the current and projected cost commitments, both direct and indirect, of the federal government to the 1976 Olympic Games and to report to the House both as to the level of those commitments and the adequacy of existing cost control mechanisms over them.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON INVESTIGATION OF LOW MORALE IN THE DEPARTMENT—MOTION UNDER S.O. 43

Mr. Speaker: The hon. member for Leeds.

Some hon. Members: No!

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion arising from the statement made recently by the Secretary of State for External Affairs in which he denied there was any morale problem in his department. I would move, seconded by the hon. member for Winnipeg South Centre:

That the Secretary of State for External Affairs make a statement to the House giving full details of a secret six-member committee to investigate low morale in his department and that the minister also release to the House the now completed report on interviews on the subject of morale made with numerous department employees by a sub-committee including in its membership Pierre Brien, Michael Mace and Shirley Boles and, finally, that the minister advise the House when the recommendations to improve morale will be carried out.

Mr. Speaker: Pursuant to Standing Order 43 this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

GOVERNMENT POSITION ON LEGALITY OF STRIKE—CONTINGENCY PLAN IN EVENT OF PROLONGED STRIKE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question to the Acting Prime Minister in the absence of the Postmaster General. I understand that the executive of the Postal Workers Union has called for a national strike. I should like to ask the Acting Prime Minister whether it is the view of the government that the union is in a position to call a legal strike and that the Government of Canada is now seized with a legal national strike by the Canadian Union of Postal Workers.

Hon. Mitchell Sharp (Acting Prime Minister): That is my understanding. I made inquiries this morning and I understand there has been a call for a strike which is being observed.

Mr. Stanfield: In the light of the statement made recently by the Postmaster General concerning the possible necessity of a long strike—perhaps three months—to resolve this issue, has the government decided, in the event of rotating strikes by the union, to shut down all postal services across the country in keeping with the remarks made by the Postmaster General for as long as it takes to reach a collective agreement?

Mr. Sharp: I hope an agreement can be reached without any prolonged delay in the operation of the Post Office. As to the particular question which the Leader of the Opposition has directed to me, I believe it should be directed, rather, to the Postmaster General.

An hon. Member: Where is he?

Mr. Sharp: The Postmaster General is in Windsor today; I expect he will be in the House either tomorrow or the next day. I know he has no desire to avoid answering questions raised by the hon. gentleman. The cabinet has not yet considered what action will be taken if the employees indulge in rotating strikes.

Mr. Stanfield: The Postmaster General has also told us that the government has contingency plans for the distribution of essential government mail and social security cheques. Has the government prepared a contingency plan designed to help small businessmen and other Canadians who face severe, perhaps unendurable hardship as a result of a strike? Has the government such a plan and, if so, when will the public hear about it?

Mr. Sharp: Mr. Speaker, I think it would be misleading to suggest that the public is not going to suffer if there is a post office strike. This is one of the penalties of collective bargaining, and I think it is one that is accepted by members on both sides of this House. They would not want to deprive any particular group of the right to strike. So I would not hold out the hope that a post office strike would not harm many individuals, big and small.

GOVERNMENT ACTION TO ENSURE LEGALITY OF STRIKE—ALLEGED TAPPING OF POSTMASTER GENERAL'S TELEPHONE—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question which I will direct to the Acting Prime Minister. In view of the statement by the Postmaster General that the vote conducted recently by the CUPW union does not necessarily constitute a mandate to call a strike—and it is to be regretted that the Postmaster General is not in the House today on this most significant occasion to deal with this problem—and in view of the further announcement that I believe was made this morning by the postal unions that the negotiations broke down on the wage packet rather than the fringe benefits which have been in public focus during recent days, what action is the government taking to ensure that

the strike that the unions have now embarked upon is a legal strike?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have not addressed a question of that kind to the Minister of Justice or to any official who might have a legal opinion. All I know is that the right to strike has not been officially questioned, and I think we should accept it that the union has the right to call a legal strike. I think this is the question that has been put to me directly and it is the one I have attempted to answer.

Mr. Dinsdale: A further supplementary question, Mr. Speaker, which I will direct to the Solicitor General. In view of numerous charges made in the press about irregularities in the voting procedure, and in view of the statement made in Windsor today, which should have been made in the House, to the effect that the Postmaster General has asked the Solicitor General, or has asked the RCMP through the Solicitor General, to investigate wiretapping on his telephone, what action is the Solicitor General taking in this regard?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it is possible that the Postmaster General approached the RCMP directly, but I have not been advised of that. I will check into it.

* * *

THE CANADIAN ECONOMY

DECISION OF QUEBEC TO REDUCE AMOUNT OF INCREASE IN MINIMUM WAGE—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In view of the minister's express concern that the package of economic proposals that the government has presented to the House will benefit the average and low income people, notwithstanding the fact that there is nothing in it directly for them, I should like to ask the minister whether a decision by the Quebec government yesterday not to proceed with an increase in the minimum wage, which in that province was scheduled to go up next month to $2.92, but instead to increase it next January simply to $2.86 instead of $2.92, is in the minister's view in the spirit of the guidelines to which the minister has referred a number of times?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would just correct the statement of the hon. gentleman. Any measure that protects the position of those not in a position by economic power to continue to get their fair share of the growth of Canada's economy is obviously one that is in their favour, and this applies directly to those of low income. I have not had an opportunity to speak to provincial officials generally since our meeting of a week ago Monday. I will have the opportunity tomorrow and the next day, and undoubtedly this is among other questions that will arise. I would not comment before I have had an opportunity to discuss the matter.

Mr. Broadbent: A supplementary question, Mr. Speaker. Since more than 1,700,000 Canadians living in the province of Quebec are directly affected by this negative decision by the premier of Quebec, I should like to ask the minister, when he meets with the finance ministers of all the provinces and particularly with the minister of the province of Quebec, whether he would make it clear that it is not the government's intention that this approach should be taken to minimum wages at the provincial level. In fact, would he positively encourage the provincial premiers to increase the minimum wages in their provinces?

[Mr. Dinsdale.]

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, I think we would want to talk particularly about the situation of those in lower income groups, not only in Quebec but across Canada.

SUGGESTED INCREASE IN FEDERAL MINIMUM WAGE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a final supplementary question in an area that is the direct responsibility of the government. Given the fact that the federal wage in 1970 was 55 per cent of the average manufacturing wage in Canada and that for 1975 this has dropped to a mere 51 per cent of the average manufacturing wage in this country, which means that low-income federal employees or people under federal jurisdiction have been getting a declining share of the economic pie, would the minister take direct action to the benefit of such low-income Canadians, within the government's responsibility, by raising the federal minimum wage?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am obliged to the hon. gentleman who has given a very good example of the way in which those on low incomes suffer when those with economic power can force up their own compensation. I would certainly be prepared to look at the level of compensation within the federal public service area to see whether people have suffered because of the exercise of economic power by others.

* * *

[Translation]

MANPOWER

MEASURES TO PROTECT CANADIAN LUMBERMEN WORKING IN MAINE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

As lumbermen, Canadian and American, have been confronting each other for several days now at the boundary between the state of Maine and the province of Quebec, right across from the riding of Bellechasse, on matters concerning wage and working conditions of the Canadians working in the States, as the situation seems to be deteriorating from day to day, and as I have been requested to ask the Minister of Manpower whether he has been advised of the situation, can he tell us what steps he intends to take to ensure that Canadian workers are protected as they should be, and that they can continue to work for the American lumber industry?

[English]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, if I understood the question

properly, and there may have been some difficulty in the translation, this is really a question of Canadian workers operating in the State of Maine and is certainly beyond my own jurisdiction. It is not a matter that would fall within the ambit of the Department of Manpower and Immigration. Having said that, I will certainly be interested in more details to see if this is matter for discussion with either the authorities of the State of Maine or the United States, and which might lend itself to some negotiation. It is not within my responsibility.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary for the Minister of Manpower and Immigration.

In view of the reply of the minister, and considering ministerial solidarity, may I ask the minister to kindly acquaint one of his colleagues, possibly the Minister of Labour, with this problem, with a view to ensuring some measure of justice to the Canadian workers who rely on the government of Canada to make sure that their rights are respected?

[*English*]

Mr. Andras: Mr. Speaker, I will certainly discuss this with the appropriate minister and my colleague in Cabinet, but I am not sure in this case whether it would be the Minister of Labour who could take action with regard to practices in another sovereign state. However, we will look into it.

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THE CANADIAN ECONOMY

REQUEST FOR ESTIMATE OF DAMAGE CAUSED BY PROLONGED STRIKE OF POSTAL WORKERS—POSSIBILITY OF CLOSING POST OFFICE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on Friday last the Postmaster General said:

> In a democracy such as ours some segments of the economy must be severely, sometimes unjustifiably, inconvenienced, but that is the price of our particular system.

Would the Acting Prime Minister advise the House whether the government has made any estimate of the damage to the Canadian economy of a prolonged postal strike and, if so, has the government calculated that the Canadian economy can withstand a long strike?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I doubt very much whether it would be possible to make a calculation of that kind. What I do suggest to my hon. friend is I think there is a great deal at stake in this particular issue especially in relation to the program of restraint which I hope he supports.

Mr. Fraser: Mr. Speaker, is the minister advising the House that the government is drifting into a prolonged strike without any idea of the consequences?

Mr. Sharp: No. We understand very well the serious consequences of a postal strike. We also understand, as I hope he appreciates, the serious consequences of breaking the government's own guidelines.

Mr. Fraser: Mr. Speaker, in view of the fact that it was several months ago that the Postmaster General threatened to close down the post office for three months if necessary, could the Acting Prime Minister tell the House whether that was then and is still government policy.

Mr. Sharp: Mr. Speaker, the Postmaster General I think has made an offer that is very fair and just. He has offered the inside postal workers the same deal accepted by the letter carriers. That is the government's position and that is within the terms of the guidelines. On other matters, the government is ready to negotiate and stands ready to negotiate at any time.

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FINANCE

INTENTION OF CHARTERED BANKS TO INCREASE CHARGE FOR HANDLING CHEQUES—POSSIBLE BREACH OF ANTI-INFLATION GUIDELINES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask the minister whether he has been advised of the fact that one of the chartered banks intends to raise its rates for handling cheques by 12½ per cent and whether this constitutes a breach of the guidelines and the intent of the white paper.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am obliged to the hon. gentleman. I will be pleased to pass this on to the Anti-Inflation Board.

REQUEST FOR ESTIMATE OF BUDGETARY DEFICIT—GOVERNMENT ACTION TO RESTRAIN GROWTH OF MONEY SUPPLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I too have a question for the Minister of Finance. As a review of federal government financial operations during the first four months of the current fiscal year indicates that revenues are below and spending is considerably above, the levels required to achieve the revenue and expenditure forecasts of the June 23 budget, would the minister tell the House if he has revised the June 23 forecast of a budgetary deficit of $3.2 billion, and if so what is his new estimate of the federal budgetary deficit for this year?

Hon. Donald S. Macdonald (Minister of Finance): Not as yet, Mr. Speaker.

Mr. Stevens: Mr. Speaker, my supplementary again is directed to the Minister of Finance. As we have had much rhetoric concerning restraint and the assurances of the minister that the money supply in this country will be in restraint in future, would the minister indicate when we will see some actual and concrete evidence of restraint with regard to the growth of our money system, it having grown 16 per cent in the last 12 months alone.

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could draw to the attention of the hon. gentleman the increase of the bank rate of three-quarters of one per cent

early in September which has as a direct consequence the moderating of the rate of increase in the money supply.

Mr. Stevens: Mr. Speaker, I have a further supplementary, again addressed to the Minister of Finance. With regard to the minister's observation that a rising prime rate will ensure restraint in respect of the growth of the money system, would he indicate to the House why that has not taken place over the last three years when our money supply has jumped by over 60 per cent?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could suggest to the hon. gentleman to his benefit that he study the very eloquent remarks of the Governor of the Bank of Canada in this respect.

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AGRICULTURE

BROILER INDUSTRY—CHARGES RETURNS TO PRODUCERS THROUGH MARKETING BOARD VERY HIGH—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Agriculture and is prompted by his statement that Canadians have nothing to fear from well-run marketing agencies. In view of the statement contained in the report of the Food Prices Review Board on the broiler industry in Canada that the average return on equity to many producers in the broiler industry is extremely high by normal business standards, and further in view of the charge of the board that the federal government will take more vigorous action to combat and eliminate constraints to interprovincial trade by the broiler industry which is contrary to the BNA Act, I ask the minister will he respond to the very serious charges and does he intend to investigate them?

Hon. E. F. Whelan (Minister of Agriculture): Well, Mr. Speaker, I have not had time to study the new report the Food Prices Review Board has submitted. But I would just remind the hon. member that broiler prices in Canada went up 14 per cent last year while they went up 23 per cent in the United States, and there is no control on imports into Canada. Imports went up from 3,209,000, pounds to 10,373,000, pounds. So there is really no control; we have no control on supply-management. Each of the provinces has its own individual broiler program and before a national agency for broiler marketing is put into force, public hearings would have to be held in accordance with the legislation which this parliament passed some time ago.

● (1430)

SUGGESTED REFERENCE TO ANTI-INFLATION BOARD OF CHARGES MADE AGAINST PRODUCERS OF BROILERS

Mr. James A. McGrath (St. John's East): My question is addressed to the Minister of Finance. Would the minister refer to the Anti-Inflation Board the charge made by the Food Prices Review Board that the return on equity to producers in the broiler industry is extremely high by normal business standards?

[Mr. Macdonald (Rosedale).]

Hon. Donald S. Macdonald (Minister of Finance): I have reason to believe that the facts in this respect may already be well known to at least one member of the anti-inflation review board, but I will make a point of reminding her of it.

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TRANSPORT

FREIGHT RATES—REQUEST BY BEEF PRODUCERS FOR DELAY OF INCREASE IN RATES

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the Ontario Beef Improvement Association has expressed grave concern with both CNR and CPR about increased freight rates over the last year—three very substantial increases totalling 49 per cent have been imposed and last week the association was informed that another increase of 15 per cent would be imposed on November 15, making it the fourth increase in less than a year, which would indeed be a hardship on the beef producers of Ontario—would the minister urge both CNR and CPR to withhold any increase until a later date in the interest of combatting inflation, and will he also arrange a meeting with the Ontario Beef Improvement Association in the near future to discuss all aspects of freight rate increases and the alarming decrease in rail service over the past year?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I certainly share the hon. member's concern and that of associations in both the east and the west in relation to higher freight rates on beef and other meat. I hope that at the very least the railways may be reviewing their proposed increases in the light of the guidelines. I think it would also be appropriate for the proposals to be brought to the attention of the anti-inflation review board. I would of course be delighted to meet with the beef associations.

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FEDERAL-PROVINCIAL RELATIONS

SUGGESTION MEETING WITH PROVINCIAL FINANCE MINISTERS BE HELD IN PUBLIC

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance. Has the government received representations from any of the provinces suggesting that meetings of the finance ministers which will be held Wednesday and Thursday be held in public?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if there have been such representations, they have not come to my attention. I do hope to receive a briefing from my officials later this afternoon following their meetings this morning with provincial officials. I will be in a better position later today to respond to the hon. member's question.

Mr. Orlikow: In view of the need of the Canadian people to know as much as possible about the anti-inflation program proposed by the government, and how it will affect them, if they are to co-operate to make the program work, will the minister give serious consideration to the

suggestions which I think will be made that the discussions tomorrow and on Thursday be open to the media and the public?

Mr. Macdonald (Rosedale): I will be glad to consider that.

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[*Translation*]

MANPOWER

MEASURES TO PROTECT CANADIAN LUMBERMEN WORKING IN MAINE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to ask a question which is supplementary to that of my colleague, the hon. member for Bellechasse. It is directed to the President of the Privy Council, a former Secretary of State for External Affairs.

Could he advise the House whether the problem Canadian forest workers are faced with in connection with the United States has been discussed by the cabinet and what action, if any, the government will take to correct this situation which I suggest is covered by the provision of the Immigration Act governing seasonal workers under contract who are staying in a foreign country?

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, when I was secretary of state for external affairs problems of this kind were discussed in the department. I find myself in general agreement with my colleagues, however, that these are the laws of the United States. However, I will get in touch with the Secretary of State for External Affairs when he returns and will ask him to see if there is anything useful that the Canadian government might do.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I wish to direct a supplementary question to the President of the Privy Council.

On behalf of the government, could he advise the House whether forest workers under long and medium term contracts will be able to work till the end of their contracts, so that these petty quarrels may be settled as soon as possible?

[*English*]

Mr. Sharp: Mr. Speaker, I doubt whether our authority would extend in that direction. But I understand that there is some problem there and I can assure the hon. member we will inquire into it to see if there is anything useful that could be done.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—EFFECT OF GUIDELINES ON DIVIDEND PAYMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is addressed to the Minister of Finance. Under Bill C-73 while wages are not frozen, dividends are, shall we say, limited to the pay-out during the preceding fiscal year. Will the minister advise the House whether this is a roll-back or whether this includes dividends declared in 1974 but payable in 1975, and if it is a total freeze will he advise how he expects Canadian investors to maintain their investments and not invest in U.S. stocks that are freely available to them and on which there is no roll-back or freeze?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I want to check again to see whether this is on a cash or accrual basis. In general terms, however, the intention would be that absolute dividend levels not be increased over the last completed fiscal year.

Mr. Lambert (Edmonton West): In actual fact is it the 1974 level of dividends that is frozen, or is it to include dividend levels of 1975 which may be higher having been declared and payable in 1975, because if it is a freeze then the minister knows what the consequences are?

Mr. Macdonald (Rosedale): I would be glad to seek precision on that.

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ENERGY

SARNIA-MONTREAL PIPELINE—DATE OF COMMENCEMENT OF OPERATION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister say whether or not the Sarnia-Montreal oil pipeline is being constructed according to schedule, and is he satisfied that it is proceeding properly? If so, when might we expect to find some oil actually travelling by pipeline between Sarnia and Montreal?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the last word I had on that was that there should be oil flowing through that pipeline early next year.

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FISHERIES

ALLEGED REDUCTION IN SURVEILLANCE BY PATROL VESSELS ON WEST COAST—GOVERNMENT ACTION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of State (Fisheries). In view of the alarming reports that 29 of the 30 fishing patrol vessels on the west coast are to be immobilized for lack of operating funds, and as 20 Japanese and Polish trawlers are at present in the vicinity of the 12 mile line, can the minister detail what steps he is taking to ensure that our 12 mile fishing zones are adequately patrolled?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I do not know where these reports come from, but there has been no decision to reduce the level of surveillance on either coast at present.

Oral Questions

Mr. McKinnon: Mr. Speaker, the budget for fisheries patrolling was reduced this year, despite the rising costs of fuel, and this would automatically reduce the amount of patrolling that can be done. Does the minister deny there will be a curtailment of patrolling on the west coast?

Mr. LeBlanc (Westmorland-Kent): I neither deny nor confirm it. I simply say that no decision has been made. The salmon season is ending and we are reviewing all our expenditures because of obvious pressures in relation to inflation and the costs of contracts with crews as well as the cost of fuel. But no decision has been made. We are reviewing this matter and patrolling is continuing on both coasts.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR ESTIMATE OF BUDGET REQUIRED TO ADMINISTER PROGRAM AND NUMBER OF EMPLOYEES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Finance who said during his speech on the introduction of the white paper and the bill dealing with inflation that he, his department and the anti-inflation review board expect to be confronted with perplexing questions. I wonder if it has been possible for his department to deal with the perplexing question of how many employees will be required to administer the program and what kind of budget has been established for carrying out the duties of the board.

● (1440)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we are currently looking at the prospect of approximately 200 employees with direct responsibility here. The level of the budget is not final since is not yet clear as to whether some of the employees will be seconded and therefore referred from other departments or brought into the public service. Obviously, the preference would be not to increase the budget by any substantial degree.

ENERGY

OIL—SALE PRICE OF OIL DISCOVERED ON CAMERON ISLAND—ACTION TO ENSURE NORTHERN OIL REACHES CANADIAN MARKET

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the government contemplating allowing the oil discovered on Cameron Island to be sold at world prices, as requested by the president of Panarctic?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the government has made it quite clear in the past that the policy of the government would be that oil prices would move up towards world prices.

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Gillies: Given the fact that the president of Panarctic has said that there is no way in which this oil could be brought into the Canadian market unless it is at world prices, what alternative position will the government offer in order that this oil may be available to Canadian consumers?

Mr. Gillespie: One can only hope that the Panarctic discovery will lead to many more, and that there will be a sufficient reserve of oil to exploit.

Some hon. Members: Oh, oh!

Mr. Gillespie: Hon. members opposite do not take this very seriously. I do; I think it is very important.

Some hon. Members: Hear, hear!

Mr. Gillies: I would indicate to the minister that we take this terribly seriously, and we are concerned that there has been no conservation of Canadian oil and nothing done to increase the supply of oil. Again I ask the minister, what he will do to ensure that this oil does in fact reach the Canadian market, and I hope that he will refrain from frivolous statements.

Mr. Gillespie: We have made it very clear in the past that there are many measures we are taking. One of the more important measures is to find ways of moving that oil and gas out of the Arctic. My department has taken this position with regard to the Polar gas project with a view to determining the feasibility of moving petroleum products out of the north.

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[*Translation*]

EXTERNAL AFFAIRS

INQUIRY AS TO RELEASE OF MR. AND MRS. JOHNSON, PRISONERS OF WAR IN VIET NAM

Mr. Maurice Dupras (Labelle): Mr. Speaker, since the Secretary of State for External Affairs is not in the House, I would like to direct a question to his parliamentary secretary.

Could the parliamentary secretary reassure the House on the fate of the Canadian missionnaries, Mr. and Mrs. Johnson, from Hamilton? Are the reports that those two missionnaries would be released true?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to assure the hon. member who just asked this question that the representations made by the Canadian authorities seem to have got a very positive ending. I am told that Mr. and Mrs. Johnson, according to an official communication addressed to our Peking embassy by the Provisional Revolutionary Government, will be released. Furthermore, I would like to add that we have already been in touch with the High Commission for Refugees in Geneva and that there is no new development yet regarding the release date.

[*English*]

TRANSPORT

INTERCITY RAIL PASSENGER SERVICE—NATURE OF REPLY TO PROPOSAL BY RAILWAYS—REQUEST FOR TABLING OF CORRESPONDENCE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that his predecessor requested the two major railroads in Canada to submit proposals to the government for an integrated intercity rail passenger service, and that the presidents of those railroads wrote to the former minister of transport on December 20 of last year submitting a proposal, I ask the minister if there was a reply to that letter? If so, when, and what was the nature of that reply?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will check the correspondence.

Mr. Benjamin: I am sorry the minister said that he will look into this matter. I gave him notice of this question this morning.

An hon. Member: He's worse than Marchand.

Mr. Benjamin: In view of the fact that the two major railroads requested that this matter be resolved and agreed to by March 1 so that they could commence this new intercity rail service by this October, if it is the intention of the government to reply, will the minister table the letter which the railroads sent to the former minister last year, and does the government intend to agree to their proposals?

Mr. Lang: Of course, the issue is very important and requires due consideration. Whether I should or will table the correspondence is something I will determine after I have looked at it.

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POST OFFICE

POSSIBILITY OF GOVERNMENT LEGISLATING END TO STRIKE IN VIEW OF EFFECT ON ANTI-INFLATION PROGRAM

Mr. J. H. Horner (Crowfoot): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Horner: I would like to direct my question to the Acting Prime Minister. I hope all my questions are greeted with such pleasure by the government of the day and I hope the pleasure of hon. members is demonstrated by their willingness to answer my questions.

Because of the concern of the people of Canada as to whether the government really intends to proceed with the intent of the anti-inflationary legislation in Bill C-73, has the cabinet considered back to work legislation for the postal workers if the strike persists?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I welcome this first question from the hon. member, and I am very glad to know that he is still associated with Crowfoot. After viewing the television

interview last night, I wondered whether he was from Toronto.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh! .

Mr. Sharp: The program which the government has put forward in its attack on inflation may produce some strikes. We hope it will not. The government, of course, does not preclude the possibility that parliament may want to take action to send workers back to work. That is something only parliament can decide, and the government may or may not make such recommendations. I hope, however, that the postal workers will accept the same deal as was offered to the letter carriers, so that ordinary postal service can be resumed quickly.

Mr. Horner: I might say to the Acting Prime Minister that I would welcome his sons to contest the constituency of Crowfoot. I am sure they would well remember my presence there for a long time in the future.

Some hon. Members: Hear, hear!

Mr. Horner: I would like to ask the Acting Prime Minister whether the people of Canada can take the legislation of the government seriously if the government is not prepared to act on the very first strike which occurs after its announcement. If the government allows this strike to go on, is it not setting a precedent for all other union leaders and workers across Canada?

Some hon. Members: Hear, hear!

Mr. Sharp: As the government has indicated, it is our hope that this program of restraint, which will apply and be enforced against certain elements in the community, will be supported on all sides. I would have thought that the kind of action being suggested by the hon. member, although I understand his motivation, would not contribute to the policy which is the result of a consensus with regard to restraint.

REGIONAL ECONOMIC EXPANSION

PRINCE EDWARD ISLAND—DATE OF SIGNING AND DURATION OF AGREEMENT ON SECOND PHASE OF RURAL DEVELOPMENT PLAN

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion and ask him if it is his intention in the near future to sign an agreement with the province of Prince Edward Island regarding the second phase of the so-called comprehensive development plan. Would he also indicate for what period such an agreement will be in effect?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, it is with pleasure that I can inform the hon. member that our department will ratify the second phase of the agreement on the development of

Prince Edward Island. I will be in that province as early as tomorrow and will probably sign the agreement with the premier of P.E.I. on Thursday. As understood during our negotiations, the agreement will cover a five-year period.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR ADDITIONAL FUNDS

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to put a question to the Minister of Manpower and Immigration.

As the President of the Treasury Board said last week that no additional funds would be given for LIP projects and since 75 per cent of those projects will be turned down because of lack of funds, I would like to ask the minister, in the circumstances, in view of the disappointment of hundreds of promoters, whether he is considering recommending additional supplies to the Cabinet, in order to accept a more reasonable number of projects?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe I answered this question the other day. I do not intend, in the face of the current restraint program, to make such a recommendation. The budget of June 23 provided $450 million for this kind of stimulation involving local initiatives programs, federal labour intensive programs, training and others to be spread over the next 18 months. That is as far as we can go now.

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FISHERIES

POSSIBLE EXTENSION OF FISHING ZONES—REQUEST FOR STATEMENT ON DISCUSSIONS WITH DR. KISSINGER

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question was to be directed to the Secretary of State for External Affairs. In his absence I shall direct it to the Minister of Fisheries. According to reports emanating from 200 delegates at the Atlantic Provinces Economic Council meeting in St. John's, Newfoundland, the Canadian government on its own does not intend to declare a 200-mile limit within the next three years. As President Ford indicated he would be prepared to sign a unilateral declaration establishing the limit, effective January 1, 1977, will the government make available to this House the basis of the discussions recently held on this matter with Dr. Kissinger. We have learned just about everything else which took place at that meeting. Perhaps we could learn what was said about the fisheries.

Hon. Roméo LeBlanc (Minister of State, Fisheries): Mr. Speaker, the premise of the hon. member's question escapes me completely. We said clearly that unilateral action is still very much an option. I may say to the hon. member that I am surprised that delegates to the meeting in St. John's have not read what the former minister of fisheries for Newfoundland said in a letter to me, that his province, because of our success at ICNAF, is not pressing for action before the next Law of the Sea Conference. The Fisheries Council of Canada has also expressed this view. So, I will take the word of these gentlemen, instead of the word of some academics.

* * *

● (1450)

POST OFFICE

ALLEGATION TAPE RECORDING OF NEGOTIATIONS DISCLOSES GOVERNMENT MIGHT LOCK OUT EMPLOYEES—REQUEST FOR TABLING OF TAPE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct my question to the Acting Prime Minister? It arises from the breaking off of negotiations last night and the indication that a tape was made of that conversation which indicates that the chief negotiator for the government had taken the position that the government was locking out postal employees—whatever that position may mean. Is the Acting Prime Minister aware of the existence of that tape? Would he be prepared to table it in the House, if he is aware of it, and can he tell us if the tape contains a record of the government's position vis-à-vis the postal unions.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand—and this is only based on reports I have received—that the tape was made without the authorization of the people who were present. In other words, it was a surreptitious taping. I would think it is the kind of report which should not be published, in the interests of preservation of privacy. May I make this point: So far as the government is concerned, the only point on which the government is absolutely adamant is the question of wages. The same deal has been offered to the inside postal workers as has been offered to the letter carriers and accepted by them. Other matters are open for negotiation and we stand ready to resume negotiations at any time.

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. I understand the Acting Prime Minister's position, that he is not personally aware of the tape, but is only aware of it through reports. Can he undertake to the House to investigate the existence of that tape. If he can, will he listen to it? Will he undertake to table that tape in the House, so that members of parliament can listen to it and understand the purport of the recorded conversations?

Some hon. Members: Oh, oh!

Mr. Sharp: No, Mr. Speaker, I would not undertake that.

Some hon. Members: Hear, hear!

Mr. Sharp: If the negotiator had authorized the taping and it were part of the official record, I should certainly consider the request. I am surprised that the hon. gentleman should make such a suggestion.

AGRICULTURE

DATE OF ANNOUNCEMENT OF AID TO COW-CALF OPERATORS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is addressed to the Minister of Agriculture. Last Friday, speaking to the Fort St. John and district chamber of commerce in British Columbia, the minister went to great lengths in praising the provisions of the agricultural stabilization legislation. He was so bold as to suggest, and I quote, that:

> Farmers will not be left out in the cold when rapidly rising costs push the cost of production past returns.

I am sure the minister realizes that the cow-calf producers of this country are not only left out in the cold but are being practically frozen out of existence. Can the minister tell the House and the cow-calf operators of Canada when a program will be implemented and announced in this House for the aid of this important industry which, at present, is severely distressed? I ask this as many cow-calf operators are presently selling their animals for distress prices. The fall rush will soon be on us. I ask the minister to acknowledge the admonition of his own department, which indicates that there will be a cattle shortage in the near future, a shortage which may have the effect of raising consumer prices.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I should tell the hon. member that I met representatives of the cow-calf producers in the Peace River area, both from Alberta and from British Columbia. They attended the breakfast meeting in Fort St. John. They expressed deep concern. They told me they had better forage, better supplies and better grain crops than they had ever had in that area. The crops are all harvested but the producers are deeply concerned. They have made submissions and will make further submissions to provincial ministers. Some of them will be presented this week in Ottawa.

Mr. Mazankowski: A supplementary question, Mr. Speaker. The minister, once again, has evaded my question. I was not asking for a detailed explanation as to what he was doing. Nor did I ask him for a bunch of rhetorical fluff. I ask him, as the producers of Canada ask him, either to put up or shut up.

Mr. Whelan: Mr. Speaker, I think the hon. member should know that the producers of Canada, the Canadian Cattlemen's Association and the Saskatchewan stock producers are asking that practically nothing be done and that some provinces have programs of their own. So, I am listening to what the producers of Canada are saying.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. O'CONNELL—PRESS PUBLICATION OF CONFIDENTIAL DRAFT REPORT OF JOINT COMMITTEE ON IMMIGRATION POLICY

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, on Monday, October 20, and Tuesday, October 21, the newspapers *Le Devoir* and the *Globe and Mail*, respectively, published, without authorization, excerpts from the confidential draft of a report of the Special Joint Committee of Parliament on Immigration Policy. This preliminary draft, and each and every page of it, is clearly stamped "Confidential until presented in the House" and is the result of proceedings conducted with closed doors. The unauthorized publication of documents such as this, prepared in this manner, is expressly prohibited by the rules of this House and constitutes a breach of the privileges of the House, in support of which I cite Beauchesne's Parliamentary Rules and Forms, fourth edition, chapter IX, section (5) of citation 320, page 250. I quote section (5):

● (1500)

> No act done at any committee should be divulged before the same be reported to the House. Upon this principle the Commons, on April 21, 1837, resolved "That the evidence taken by any select committee of this House, and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person." Where the public is admitted this rule is usually not enforced. The publication of proceedings of committees conducted with closed doors or of reports of committees before they are available to members will, however, constitute a breach of privilege.

A special committee of parliament has been mandated to consider and report upon this sensitive and complex area of public policy. The unauthorized publication of this preliminary and confidential draft, which does not reflect the final conclusions of the committee and in fact has not yet been discussed as such by the committee, reduces the ability of this special committee of parliament to deal effectively with its mandate and can only be misleading to the public.

The circumstances of the unauthorized publications seem to be within the four corners of the breach of privilege as described in the citation I have given Your Honour. It is for this reason that I move, seconded by the hon. member for Kent-Essex (Mr. Daudlin):

> That the unauthorized publication of the confidential draft of a report of the Special Joint Committee of Parliament on Immigration Policy be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to say a few words in support of the motion moved by the hon. member for Scarborough East (Mr. O'Connell), one of the chairmen of the special joint committee. The publication of this report as the view of the committee was false and misleading. As the hon. member made clear, there are many points which we have not discussed. There are many points which we have discussed and not yet agreed on. I and other members of the committee disagree with some of the points mentioned in the report.

I am in the process of trying to persuade my colleagues, and I have some hope of doing so, to change some of the items in this particular report. In any event, the whole context of the committee system can be broken down if confidential documents are leaked and then printed in the press. It was clearly marked, as the hon. member said, as confidential until released in this House. The publication of this report means that hearings in camera and documents held in confidence by any committee of this House are no longer subject to any security whatever.

It is sometimes said that a charge has to be made. I consider that within the terms of this motion a charge is made because the citation from Beauchesne's clearly states that disclosure "ought not to be published by any member of such committee or by any other person." However, the Canadian Broadcasting Corporation and at least two leading newspapers published in detail, and to some extent even inaccurately, some of the details of the report.

Mr. Jake Epp (Provencher): Mr. Speaker, with regard to the motion of privilege that the hon. member for Scarborough East (Mr. O'Connell) has placed before this House, I would like to state that the members of the committee from this side of the House support the position he has taken on behalf of the committee.

Some hon. Members: Hear, hear!

Mr. Epp: I believe members of the committee from all sides of the House have appreciated the manner in which the co-chairmen have conducted the affairs of the committee. They have been eminently fair in their approach to all members and to discussions in a very sensitive area of public policy.

The fact that the report had obviously been leaked through the media has been discussed by members. I think all of us feel that the work we have done up to this point must be kept in clear perspective and that we are not deterred from our purpose, namely, to present to parliament what we believe are findings in the best interests of Canada's future.

It is our hope that despite the fact the report has been leaked and published in the media, the committee's work will not be compromised but, rather, when the report is tabled in this House—which was the mandate given us by the House—it will be considered at that time having in mind the importance which I believe it has.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened to the question of privilege. I am not a member of the joint committee, but I ask: Is it within the purview of the House of Commons Privileges and Elections Committee to deal with this kind of question of privilege without someone being named? This raises a very interesting question. We may find it was a member of the other place who was guilty of leaking this report. I therefore raise the point as to whether it is within our competence to deal with this matter through the Standing Committee on Privileges and Elections without someone being named, when it may affect other than members of this House.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I support the motion of the hon. member for Scarborough East (Mr. O'Connell) who is the distinguished chairman of the Committee on Immigration Policy. I think he is right in part, Mr. Speaker, but there is one thing I wonder about: As 400, 500 or perhaps 600 copies were distributed almost everywhere, namely to hon. members, in secretarial offices and so on, I think, Mr. Speaker, that this inquiry is almost useless. Also the fact that the report is only one side of a final report which must be introduced later takes off much of the importance of this motion. In particular, I would not like to see a witch hunt here to determine whether such or such thing was produced in relation to a draft report. It is not at all a report but draft report. I would like it to be considered only as such.

[Mr. Brewin.]

• (1510)

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I do not intend to enter into a discussion of the merits of the question which has been raised. The point directed to your attention by one of the co-chairmen of the special joint committee was well made. I understand, though, that the other co-chairman, who is a member of the other place, will be submitting an identical question of privilege in the Senate in order to deflate the argument—and I say it was a good argument—put forward by the hon. member for Timiscamingue (Mr. Peters). So we should all be apprized of the seriousness of this matter; it is being raised not only in this House but it is being raised in the other place with a view to ascertaining what type of direction shall be given in this regard.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, as an ad hoc member of the immigration committee, I would like first to set things in their context and say that the committee and the secretaries of the committee have distributed only about forty copies of the report and that it is very easy to trace back those copies. It was not a matter of 400 or 500 copies: it was a working paper and only members of the committee and those of the immediate staff had access to it. So I think there is indeed a matter of privilege.

[*English*]

Mr. Tom Cossitt (Leeds): Mr. Speaker, perhaps I might be permitted to make one brief comment. I believe it is the view of members in all quarters of the House that the principle of the freedom of the press, and the right of the press to publish information which is received, must be protected. The function of the press in any democratic country is to seek out and publish news. When this sort of thing happens, as illustrated by one of the joint chairmen in his motion, it would seem to me that the fault does not lie with the press but, rather, with whoever connected with the committee leaked this information to the press.

Some hon. Members: Hear, hear!

Mr. Cossitt: It seems to me that the press has no alternative to publishing information it receives, when that information is believed to be accurate and legitimate. Therefore, I do not believe this motion can be deemed as one chastising the press; rather, it is one calling for an investigation of how this happened in the committee itself.

Mr. Speaker: As there does not appear to be any other member wishing to continue this discussion, let me say at the outset that there can be no question about its seriousness. There was some difficulty put forward based on the fact that this is a joint committee, and some comment on the fact that a similar motion or a similar application is expected to be made later this day in the other place. It might be interesting to speculate on what would happen if different results ensue in both places. Let me say at the outset that I propose to reserve my ruling and examine the arguments and reconsider the precedents.

The question is not without difficulty. In the first place, there is precedent that the leak of confidential documents or their publication does in fact constitute a question of privilege. But does that mean a question of privilege in the abstract, or a question of privilege involving a specific member of the House of Commons who may be accused of having given out information which is confidential? The Chair will need to examine the precedents in detail, not simply the citations, to see what were the facts of those previous cases.

There is also a long-standing practice that it is unusual, perhaps even without precedent, for one committee of the House of Commons to examine the operations or the transgressions, as it were, of another committee. That question is particularly complicated when a joint committee of the two Houses is involved. This touches the point which was raised by the hon. member for Timiskaming (Mr. Peters). If we are to embrace the principle that an investigation can be carried out, as a result of this question of privilege, to find out whether in fact a question of privilege exists, then we shall have extended considerably the premises of a question of privilege.

It is suggested that the fact of the publication of a confidential draft report becomes in itself a prima facie question of privilege, the details to be filled in when it gets to the committee. On the face of it, that seems to me to be an extension of the question of privilege as we have known it, and if there is not a specific allegation of a transgression by someone it is most difficult to rule that there is a prima facie question of privilege. On the other hand, there is an obvious disposition in the House that some investigation of this matter should take place.

It may be that it does not qualify as a question of privilege as we know it, and certainly there is no desire to extend the definition of a question of privilege. It may be that a substantive motion to investigate this matter would be acceptable and might receive the unanimous support of members of the House without its being treated as a question of privilege. In any case, in a day or two the answers to some of these questions may be a little clearer than they are at the present time.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,848, 1,849, 2,623, 2,891, 2,962, 2,981, 3,009, 3,017, 3,024, 3,036 and 3,156.

[*Text*]

INTERNATIONAL FESTIVAL OF FRANCOPHONE YOUTH

Question No. 1,848—**Mr. Schumacher:**

1. By name, how many countries participated in the International Festival of Francophone Youth in Quebec, August 1974?

2. By title or designation, how many individuals attended from each country and what was the extent of their participation in the Festival?

3. By title or designation, how many individuals attended the Festival from Canadian provinces and which provinces were represented?

4. For each group, from each country or province, what was the cost of (a) travel (b) accommodation (c) meals (d) local transportation (e) *per diem* expenses (f) packing (g) unpacking (h) shipping (*i*) insuring any equipment and/or materials and by whom were such costs met?

5. Was any coverage by any branch of the media paid for and, if so (a) what was the nature of such coverage (b) the cost involved in each case (c) by whom were such costs met?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The 25 member countries of the Agency for Cultural and Technical Cooperation participated in the International Festival of Francophone Youth; they are: Belgium, Burundi, Cameroon, Central African Republic, Ivory Coast, Dahomey, France, Gabon, Haiti, Upper Volta, Lebanon, Luxembourg, Malagasy, Mali, Mauritius, Monaco, Niger, Rwanda, Senegal, Chad, Togo, Tunisia, Vietnam, Laos (associated State), and Canada (including Québec as participating government).

2. The total number of delegates was 1,621. The average number of participants per delegation was 62 including the head of the delegation, responsible officers for cultural and sports activities, some 30 participants to the cultural side and some 30 participants to the athletic side.

3. (a) Québec (participating government): 101 delegates including one leader, 32 participants to the cultural side and 68 to the athletic side. (b) New-Brunswick: 38 delegates including 12 participants to the cultural side and 26 to the athletic side. (c) Ontario: 41 delegates including 15 participants to the cultural side and 26 to the athletic side. (d) Manitoba: 32 delegates including 6 participants to the cultural side and 26 to the athletic side.

4. (a) The Agency for Cultural and Technical Cooperation paid for the international travel of 60 delegates from each country. (b) The Société d'Accueil du Festival international de la Jeunesse francophone paid for the lodging of all delegates at a rate of $4/night per person. (c) The Agency for Cultural and Technical Cooperation paid $5/day per person to provide meals to the delegates. All in all, the international travel and the meals provided to the delegates cost approximately $1.3 million to the Agency. (d) The interprovincial travel of Canadian delegates coming from New-Brunswick, Ontario and Manitoba was paid for by the Federal Government; this represented an expenditure of $17,800 contributed by the Department of National Health and Welfare. (e) No "per diem" expenses were provided, except in the case of a theatrical group that rehearsed in Québec City for eight weeks prior to the opening of the Festival. The Agency for Cultural and Technical Cooperation paid for these expenses. (f) Paid

for by the Agency for Cultural and Technical Cooperation. (g) Paid for by the Agency for Cultural and Technical Cooperation. (h) Paid for by the Agency for Cultural and Technical Cooperation. (i) Paid for by the Agency for Cultural and Technical Cooperation.

5. (a) No. On the other hand, various Federal Departments and Agencies contributed to the publication of the official programme by paying for complimentary pages. The Department of External Affairs also paid for the editing of a souvenir-album and contributed to the production, by the National Film Board, of a documentary on the Festival. (b) The official programme: $30,000 contributed by the Department of the Secretary of State, the Department of National Health and Welfare and the Canadian International Development Agency.—The souvenir-album: $75,000 provided by the Department of External Affairs.—The film: $40,000 provided by the Department of External Affairs. (c) See (b) above.

INTERNATIONAL FESTIVAL OF FRANCOPHONE YOUTH

Question No. 1,849—**Mr. Schumacher:**

1. On what date was the *Société d'accueil du festival international de la jeunesse francophone* incorporated?

2. Who was named as (a) President (b) Vice-President (c) Secretary (d) Treasurer?

3. Who was appointed to the Board of Directors of the Society and, in each case, was the appointment by the Federal or Quebec Provincial Government?

4. What remuneration was given to each member of the Executive and Board of Directors and by whom?

5. What was the period of office of each member of the Executive and Board of Directors?

6. Were the members of the Executive and Board of Directors associated with any other companies, associations and/or organizations (a) prior to (b) during (c) after their period of duties concerning the International Festival of Francophone Youth in Quebec, August 1974 and, if so, in each case (i) what was the nature of their associations (ii) positions held (iii) salaries received from other companies, associations and/or organizations?

7. What was the budget of the Society for the Festival?

8. Is the Society still in operation and, if so (a) have there been any changes in the Executive or Directorship (b) what was the nature of such changes?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The Société d'Accueil du Festival international de la Jeunesse francophone was incorporated on June 7th, 1973, according to Part III of the Canada Corporations Act.

2. a) President: Mr. Richard Drouin; b) No vice-president; c) Secretary-treasurer: Mr. Pierre Lefrançois.

3. All members of the Board of Directors were appointed by both the Canadian and Québec governments. They were: Mr. Richard Drouin, Mr. Guy Beaulne, Mrs. Yolande Bonenfant, Mr. René de Chantal, the Rev. Marcel de la Sablonnière, Mr. Pierre Dionne and Mr. Richard Garneau.

4. Mr. Richard Drouin, President of the Board of Directors received $35,000 a year for the period of June 7, 1973 to October 31, 1974. The members of the Board were paid $50.00 for each meeting of the Board, up to a maximum of two meetings a day and their presence was controlled by a token. The Société d'Accueil took care of that remuneration. There was no Executive Board.

[Mr. MacEachen.]

5. From June 7, 1973 to October 31, 1974.

6. At the time they were appointed to the Board of Directors and during their period of office, members of the Board were associated with the following companies, associations and organizations: Mr. Richard Drouin, Barrister and Solicitor in Quebec City; Mr. Pierre Dionne—Vice-President of the Quebec Confederation of Recreation, General Commissioner of the Boy Scouts Association of Canada and Member of the Board of Directors of Tourbec; Mrs. Yoland Bonenfant—Member of the Board of Directors of the Canadian Institute; Mr. Guy Beaulne—General Director of the Grand Théâtre, Member of the Boards of Directors of the Théâtre populaire du Québec, of the Quebec Opera and the Société Civitas; Mr. René de Chantal—Dean of the Faculty of Arts and Sciences at the Université de Montréal, Member of the Royal Society of Canada and Member of l'Académie canadienne-française; The Reverend Marcel de la Sablonnière—President and Director of the Centre Immaculée Conception, Vice-President (Communications) of the Olympic Association of Canada; Mr. Richard Garneau—President of the Quebec Federation of Athletics, sports commentator with Radio-Canada. The salaries received from these companies, associations and organizations are of a confidential nature.

7. The budgetary forecasts approved in 1973 were the following: (a) Total budget: $3 millions for both the international and national aspects. (b) This total amount was divided into two distinct parts: 1. $1.6 million to be paid by the Agency for Cultural and Technical Cooperation for the international aspect of the event. 2. $1.4 million to be paid by the host country for local expenses; this amount was subdivided as follows: (a) a federal contribution of $900,000 (or 64.25 per cent of the Canadian contribution) paid by the Department of External Affairs; (b) a contribution of the Quebec government of $500,000 (or 35.75 per cent of the Canadian contribution). At the end of the Festival, the Société d'Accueil du Festival international de la Jeunesse francophone faced an excess of expenditures over revenues of $582,704 which was solved by supplementary contributions of $374,385.32 (or 64.25 per cent) of the deficit) provided by the Federal government on April 1, 1975, and of $208,316.68 provided by the Quebec government (or 35.75 per cent of the deficit), on January 29, 1975.

8. The procedures to end the incorporation were started on April 1, 1975 and are nearly completed. (a) No; (b) not applicable.

AIRPORT ASSISTANCE PROGRAMME

Question No. 2,623—**Mr. Cossitt:**

1. Did the Minister of Transport authorize the Member for South Western Nova to announce on May 26, 1975, a $175,000 Assistance Grant for the airport at Digby, Nova Scotia under the Department of Transport's Community Airport Assistance Programme and, if so, for what reason?

2. Is it government policy that such announcements of grants, work projects, etc., are normally made through a Member of Parliament and, if so (a) does the policy apply equally to all Members (b) for what reason was the above announcement made by the Member for South Western Nova?

Hon. Mitchell Sharp (President of the Privy Council): 1 and 2(b). From time to time the minister asks members

to make announcements on his behalf of projects in their constituencies. The Member for South Western Nova had been actively promoting this grant for the airport at Digby which is in her constituency.

2 and 2(a)(b). There is no general policy in this respect.

TRANSFER OF PARKS CANADA OFFICE FROM CORNWALL TO GUELPH

Question No. 2,891—**Mr. Cossitt:**

1. Did the Minister of Indian Affairs and Northern Development authorize the Member for Wellington to announce on June 30, 1975 the transfer of the Regional office of Parks Canada from Cornwall to Guelph in the Constituency of Wellington and, if so, for what reason?

2. Is it government policy that such announcements of grants, work projects, etc., are normally made through a Member of Parliament and, if so (a) does the policy apply equally to all Members (b) for what reason was the above announcement made by the Member for Wellington?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Public Works as follows: 1. Yes, because the new location is in the Member for Wellington's constituency.

2. There is no general policy in this respect.

SPRUCE BUDWORM SPRAYING, NEW BRUNSWICK

Question No. 2,962—**Mr. Corbin:**

Did the Province of New Brunswick request financial assistance from the government for spruce budworm spraying programmes for the years (a) 1975 (b) 1974 (c) 1973 (d) 1972 (e) 1971 (f) 1970 (g) 1976 and, if so, in each case what was the government's response?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of the Environment is concerned: (a) Yes—no assistance is provided; (b) yes—assistance was provided; (c) yes—assistance was provided; (d) no; (e) no; (f) no; (g) no. In so far as the Department of Regional Economic Expansion is concerned: (a) Yes, the Department of Regional Economic Expansion agreed to a request from the Government of New Brunswick for assistance to undertake experimental programs in budworm control. The Department will provide $60,000 for windfield studies and $40,000 for adult budworm spray studies. (b) Yes, DREE agreed to a provincial request for $480,000 for an experimental adult budworm spray program; (c) no; (d) no; (e) no; (f) no; (g) no.

SECURITY EXPENDITURE

Question No. 2,981—**Mr. Clark (Rocky Mountain):**

By department and agency, what was the amount of money allocated (a) directly for any security or intelligence activities (b) to fund any involvement by any group or individual in any security or intelligence activity for the fiscal years (i) 1970-71 (ii) 1971-72 (iii) 1972-73 (iv) 1973-74 (v) 1974-75 (vi) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): It is not considered to be in the public interest to provide detailed information about security arrangements.

Order Paper Questions

MR. PHILLIP DE GASPE BEAUBIEN

Question No. 3,009—**Mr. Huntington:**

Since 1968, has Mr. Phillip de Gaspe Beaubien, President of Telemedia (Quebec) Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of National Health and Welfare is concerned: (a) Not applicable; (b) Not applicable; (c) National Advisory Council on Fitness and Amateur Sport. (i) Chairman; (ii) National Advisory Council on Fitness and Amateur Sport; (iii) January 1969 to present; (iv) Appointment; (v) Governor in Council (Order in Council, Privy Council 1969-12/531 dated March 18, 1969). Director, Canada Development Corporation Appointment by Governor in Council (see sections 4 and 5, CDC Act). In so far as the National Design Council is concerned: (a) Not applicable; (b) Not applicable; (c) National Design Council, Department of Industry, Trade and Commerce. (i) Member of the National Design Council; (ii) National Design Council; (iii) May 29, 1968 to May 29, 1971; (iv) Position attained by Order of the Governor-General in Council; (v) See item (iv).

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,017—**Mr. Huntington:**

Since 1968, has Mr. Jean-Paul Gignac, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Jean-Paul Gignac was a Member of the National Research Council of Canada during the period May 22 1969 through to March 31, 1972. He was appointed under authority of the Governor in Council appointment No. P.C. 1969-1056 dated May 22, 1969.

HON. JEAN-LUC PEPIN

Question No. 3,024—**Mr. Huntington:**

Since 1968, has the Honourable Jean-Luc Pepin of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Energy, Mines and Resources is concerned: (a), (b) and (c) Yes. (i) Minister; (ii) Department of Energy, Mines and Resources, Atomic Energy of Canada Limited, Cape Breton Development

Corporation, Eldorado Mining & Refining Limited (Company's corporate name changed to Eldorado Nuclear Limited June 6, 1968) and its wholly-owned subsidiary Eldorado Aviation Limited, Atomic Energy Control Board, Dominion Coal Board, National Energy Board, Board of Examiners for Dominion Land Surveyors, Columbia River Treaty Permanent Engineering Board, Canadian Permanent Committee on Geographical Names and Five Interprovincial Boundary Commissions i.e: Manitoba-Saskatchewan, Alberta-Northwest Territories, British Columbia-Yukon Territory and Northwest Territories, Saskatchewan-Northwest Territories and Alberta-British Columbia. (iii) October 3, 1966-July 6, 1968; (iv) By appointment; (v) Mr. Pepin was appointed by Commission under the Great Seal of Canada as Minister of the Department of Energy, Mines and Resources and in that capacity was designated Minister responsible for the aforesaid agencies. In so far as the Department of Industry, Trade and Commerce is concerned: (a) See below; (b) See below; (c) Yes. (i), (ii) and (iii) Mr. J-L. Pepin was the Minister of Industry, Trade and Commerce from July 6, 1968 to November 27, 1972 and in that capacity was associated with those agencies, advisory boards, councils or committees that report to the Minister of Industry, Trade and Commerce. They are: Automotive Adjustment Assistance Board, Export Development Corporation, General Adjustment Assistance Board, Machinery and Equipment Advisory Board, National Design Council, Pharmaceutical Industrial Development Advisory Committee, Metric Commission, Standards Council of Canada, Textiles and Clothing Board. In so far as the Export Development Corporation is concerned: (a) Yes; (b) To be answered elsewhere; (c) To be answered elsewhere; (i) While Minister of Industry, Trade and Commerce he was the Minister designated by the Governor in Council for the purposes of the Export Development Act.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,036—**Mr. Huntington:**

Since 1968, has Mr. Harold Anthony Hampson, Director of Texas Gulf Inc. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the General Adjustment Assistance Board, Department of Industry, Trade and Commerce is concerned: (a) not applicable; (b) not applicable; (c) General Adjustment Assistance Board, Department of Industry, Trade and Commerce. (i) Chairman of the General Adjustment Assistance Office; (ii) General Adjustment Assistance Board; (iii) April 3, 1968 to December 2, 1971; (iv) Position attained by Order-in-Council; (v) See Item (iv). President, Chief Executive Officer and Member of Executive Committee, Canada Development Corporation. Appointment by Governor in Council (see sections 4 and 5, CDC Act).

[Mr. Sharp.]

AMOUNT OF MONEY PAID TO OUTSIDE CONSULTANTS

Question No. 3,156—**Mr. Reynolds:**

What was the amount of money paid to outside consultants by the government in the years 1973, 1974 and what is the estimate for 1975?

Hon. Mitchell Sharp (President of the Privy Council): See replies to Questions No. 897 of November 19, 1974, No. 151 of October 1, 1974, and Nos. 97 to 137 inclusive of January 4, 1973, and the Public Accounts for the appropriate year.

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Do the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Monday, October 20, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

[*English*]

Mr. Arnold Peters (Timiskaming): Last night, Mr. Speaker, I was pointing out that the bill before us is a unique piece of legislation. It contains very little detail, though its implications are far reaching. All the operative portions of the measure will be carried out by regulations through a board which is yet to be established. The result will be a number of actions which have not been carried out before except under extraordinary legislation such as the War Measures Act or the wartime prices and trade legislation implemented under the provisions covering peace, order and good government.

As to the constitutional aspects of the measure, we know that a meeting was called between the Prime Minister (Mr. Trudeau) and the premiers of the provinces, though I doubt any attempt was made at that time to go into any detail. Indeed, it is not likely that any details were available; there were obviously none when the bill was drafted. We shall all have to await the regulations. The bill allows for the investigation of individual tax returns of corporations and individuals, something which is altogether abnormal in our society. It also provides for a number of exemptions, though the particulars are not spelled out in the bill.

Today we are faced with a postal strike, partly as a result of this legislation although it is not yet in effect.

Postal workers are concerned whether or not the result of negotiations between themselves and the Postmaster General (Mr. Mackasey) will be effective. Both are negotiating, as far as wages are concerned, on the basis that they will be exempt from the terms of this legislation. Of course, this indicates that there will be a large number of exemptions, and exemption may be the rule rather than the regulations being the rule.

● (1520)

This raises a fundamental problem for the minister and the country. I think it is safe to say that most Canadians have been of the opinion for a number of months, in fact for several years, that the federal government should take some action to eliminate many of the perils ordinary Canadians fare due to inflation. All Canadians agree something must be done about inflation. But if anything is to be done on a national basis, the various segments that will be affected must be dealt with equally.

It is very easy for the minister to legislate against labour. Most people feel that big labour is in the same position as big corporations; they can make decisions which are not necessarily in the national interest and in some cases are not even in the interests of their own industry. However, when the ordinary people of this country are asked to restrain voluntarily their desire for a wage increase, for an increase in fees for services or their salaries, they should be assured that this restraint is applied equally across the board.

During the last war some people were of the opinion that if you had enough money, you did not have to go to war; you could get out of being conscripted or of having to volunteer your services. If you were well enough off, you could buy your way out. Great objection was taken to this. I will not mention some of the famous people involved, but I am sure there is still resentment among those who served because everybody was not treated in exactly the same way.

There will be inequality under this legislation, and in the main it will be two classes of people who will suffer. The first is those who have entered into negotiations, which might have gone on for a considerable period of time, and who are not able to convince the Anti-Inflation Board that they should be exempt and allowed to get the full benefit of any wage increase for which they are bargaining. The other class of people is those who are not able to bargain effectively for an increase in their wage structure—the unorganized.

Less than 25 per cent of the labour force in Canada is organized or in a position to bargain in some manner. The other 75 per cent is not in a position to bargain. Will they be assured the minimum $600 or maximum $2,400 increase? In no way will they. There is no equality or fairness in that case. Those at the low end of the income scale are likely to stay there; those at the top end, such as members of parliament and others, will get the full $2,400. I hope they will not get any more, but they will get the $2,400. Old age pensioners, those on assistance, war veterans, those who receive the minimum wage, have no way of bargaining for their minimum $600 increase, and I can see no way that the minister will give these people their equal right to the minimum $600 for which other people can negotiate.

In days to come when people find there are no controls over commodities they have to buy and when they know that the large food chains will be able to justify every quarter the income from their total operations, the seven or eight commodities which are the necessities of life for the people of this country who are living at the old age pension level, on assistance or who receive the minimum wage in the provinces, are going to increase in price.

Without equality, it seems to me that this legislation is going to fail. It is going to fail because it will not have the support of those who know that their incomes are being controlled because it is easy to control them—mainly wage earners who negotiate their own wages. The corporations will remain uncontrolled because they will be able to publish their profits and distribute them in such a way that they appear to be limited. The small, independent people of the nation will find themselves the victims of increased prices. The indication is that the price of basic commodities will rise from 9 per cent to 12 per cent in the coming year, and these people will find no corresponding increase in their incomes to enable them to buy these commodities.

This is not good legislation. It is not the sort of legislation that we should ask the ordinary Canadian to put up with. No action has been taken to control the financial institutions, and are they not partly responsible for the trouble we are in? Is the Minister of Finance (Mr. Macdonald) not surprised to find, when he deposits $10 in the bank, that the bank can lend that money and get 10 per cent interest on it? The bank can make almost as much money by way of interest as the amount that is deposited in their bank.

Is it not time that we examined some of the segments of the economy that we can do something about? One is housing. We can do a lot about housing if only we are smart enough to control the banks to the extent that they have to make available mortgage money at 6 per cent. At the moment they are making a killing. I suggest that nobody buy the stocks of mining or oil companies any more; let them buy the stock of a bank where they will make more money. I suggest there must be something wrong with a system that means a person has paid $125,000 for a $35,000 house when the mortgage is paid off. This one aspect the minister has not looked at at all.

Another facet that has not been referred to to any extent is the indication given by all financial institutions that these restrictions will mean that unemployment in Canada will increase. Companies in a given industry will be unable to compete with their competitors because they will be unable to get an exemption. As a result, it seems to me we will have more unemployment. This, in turn, will mean that agencies responsible for providing at least some sustenance for those unable to work over a long period of time will require additional funds, which will add to the burden of the municipalities, the provincial governments and should add to the burden of the federal government.

● (1530)

When I asked the other day if the minister had any intention with respect to programs he was going to institute to compensate the unemployed in the country because of the effects of this legislation, he said the government

had not considered this matter. He said there were no public works or enterprises to be undertaken that would provide basic sustenance other than that obtained through the normal channels of welfare, unemployment insurance and the other schemes we have devised to help those who are unable to look after themselves.

I predict that in six or eight months it will be obvious to all Canadians that we are not accomplishing what we want to accomplish by this anti-inflation measure. Canadians want to see the beginning of a decrease in the cost of living so that organized labour does not have to chase after increases to cover the increasing cost of living. Canadians want to see a beginning, through normal restraint, in our attempt to live within our means. This legislation is not going to accomplish that because it is not going to control the prices the housewife will be looking at when she goes to the grocery store.

This legislation will not accomplish what we desire, because it will not help workers and people on low or fixed incomes to pay the increases in rent, the cost of cars or the many other increasing expenditures necessary in our day-to-day existence. Unless we can assure the workers, those on fixed incomes and those unable to look after themselves that there is to be a decrease in the cost of living, any talk about anti-inflationary legislation will only be talk and will not accomplish anything and, therefore, will not deserve the support of the people of this nation.

Mr. Deputy Speaker: The hon. member for Rocky Mountain.

An hon. Member: The rocky member for Hamilton!

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I am not running for the leadership.

An hon. Member: With your record, you shouldn't.

Mr. MacFarlane: I think the hon. member for Rocky Mountain (Mr. Clark) has a good maritime background, so I think that he and I would have some things in common, and we both have great respect for the hon. member for Halifax (Mr. Stanfield). That actually gives me a good lead into my remarks, in that I want to say that I, for one, have said in all sincerity, even during a recent election campaign, that I do not doubt the sincerity of the hon. member for Halifax even though I may disagree with his timing and some of the substance of his suggestions. We have reached the stage now when I do not find it difficult to accept fully the premise put forward by this government. In saying that, I know I will have to answer to my constituents who heard me talk about prices and wages in a derogatory way at the time, and I have no embarrassment at all about this.

An hon. Member: Yes, but I do.

Mr. MacFarlane: That is your problem; it is certainly not mine. It is important to remember that some adjustments always have to be made, and if we truly look at this proposal for what it is—

Mr. Stanfield: When the wind shifts, you have to shift your sails.

[Mr. Peters.]

Mr. MacFarlane: Yes, sometimes we do. At this time we have to remember that when we are talking about a war—and some people have referred to this as a war—you do not always win the war just because you have won certain individual battles. I think that is the situation we are facing. We now have to look at the long-haul situation. We have, again, to make the efforts we made in the past. We must really consider the situation that existed in the past.

When we are considering our youth at this time, we must realize that those of us who served in the Second World War, and our fathers before us who served in the First World War, did indeed believe we were serving for reasons that were ultimately important to all of Canada. Those of us here who did not serve during a wartime period did not have that particular challenge, but whether they like it or not, we all served in that regard and now hope that today's youth will not be called upon to meet a similar challenge.

The challenge before us today, if properly put to our young people, may well be a challenge to which they will respond. It is likely that we will have to call upon the "one dollar a year men". If we were justified in calling upon people to come out of business activity and work for a dollar a year ferrying aircraft overseas during the last war, then surely we should be able to call on senior business personnel to work for a dollar a year during this war on avarice. Why can't we call on our leaders in very senior positions to serve in capacities in which they would not be a drain on the government but could help us in this war on avarice?

We should have no doubt about the situation, because this is a war on avarice. We should not say that the situation we are faced with today is the fault of one government, the fault of a series of governments, the fault of a group of workers, or the fault of a group of people who are trying to take too much out of the economy. This is a war on avarice. Let me give hon members the example of an advertisement that appeared in a newspaper yesterday. Can you imagine someone advertising that they will cash post-dated old age pension cheques for a charge of 10 per cent? Imagine someone at this point in time wanting to make 10 per cent from an old age pension cheque because the cheques were mailed out early in the event of a postal strike! This would seem to indicate that there is a tremendous problem facing the country at this time.

We all have to get into the fray. We all have to be ready to stand strong in this economic fight. There is just no doubt in my mind about whether we can get the proper response from the youth of the country as well as from the aged. Many of these pensioners are the poeple we could call upon to assist us. There are many of us here who would be willing to perform extra tasks without looking for extra benefits and still withstand the criticism we are receiving for taking the raise which was voted in this House. We do not feel that the situation at this time makes us any better or any worse than anyone else. We feel that the public of Canada is ready to respond to the clear clarion call to come forward to fight in the battle in this war on avarice.

We suggest that this measure should be in existence for a long-term period in order to avoid some of the pitfalls that have occurred in other countries and on other continents. It does seem that when a definite and short period of time is set out, there is a feeling among the people that

they will put up with things, but as soon as the time expires they will increase prices again in order to recover the money they did not obtain.

It seems that the proposed period of time should be considered in the same way as the last war, when people thought it might last for only three or four years but once they realized it was going to be longer they made an all-out effort in the direction of winning. They then made an all-out effort against what they considered the common enemy. Let me use that small island's symbol again: I hope the Prime Minister (Mr. Trudeau) is saving his blood, sweat and tears speech to convince the people, if it becomes necessary, that we have to fight the battle over the long haul to the end.

I think we underestimate the Canadian public if we do not ask the people to put forward their best effort at this time. I think we underestimate ourselves if we think we are not ready to stand and take the barbs, the kicks, the hits and the jabs, whether they come from the media or from the public. I think the media is about ready for a lesson. I suspect that soon they will be hearing the public say that we want to hear something positive about this war and something positive about our future, and we are not going to accept anything less. I believe there are members in this House from all parties who are prepared to go ahead in that fashion. I have no doubt that all parties will be represented in this before it is over. I welcome the fact that in the heat of conflict the spark of truth is blown. I welcome the criticisms which come in this direction, whether they come from the NDP, the Conservatives, the Social Crediters or from within the Liberal ranks. I believe it is important to have this criticism.

I think the bill of the Minister of Finance (Mr. Macdonald) will come forward as a bill which we will stand for and support. We will not only go forward as a government, but will go forward as a parliament which took this decision at this time.

● (1540)

An hon. Member: A backward one.

Mr. MacFarlane: No. Some people may go backward, but I prefer to go forward because I like to see where I am going. I might fall over, otherwise. I am not really interested in rhetoric now. I am trying to say honestly how I and the people in my riding feel. It is not easy to speak for a riding one end of which possibly resembles an area like Westmount in Montreal and another area that is sort of like an Outremont or another area which is possibly like Verdun on the Island of Montreal, or Point St. Charles. We have a mix of people which includes union people, people who run their own businesses and people who have academic and professional careers. It is difficult for all of them to see things the same way, but hon. members may rest assured that they are united behind the kind of leadership they will receive.

It is a matter of whether we are willing to go forward at this point. We cannot always go the way we want. I do not say there is one correct answer, nor do I say there could be one answer. However, there is an answer for the Canadian public. The answer is that every time the government proposes, instead of parliament disposing we just have a game of chess. We have no time for a game of chess now. There is no point in checkmating or in deciding to move our rook in one direction, just for a little game, to delay bills. This is a time when we have no desire in a crude way to shove anything down the throat of the opposition.

We say that many people have asked for leadership. Whether hon. members opposite think we on this side of the House are the leaders, or whether our government is the leader, really is unimportant. This is where the responsibility rests, and that is why the bill is coming forward from here. In coming forward, it gives all of us the opportunity to have something to say about how we should proceed in these dreadful days. These are the best and the worst times. We should remember that. We should not for one instant fall weak to the very thing that has caused it. The fact is, we are living quite well; things are going well for some of us. We must think of those people at the lower end of the scale and those people who have no real power to express themselves.

This is where I find, in my riding, I can turn to the labour unions and to the workers with great confidence. I receive phone calls from them every day, in which they express concern and a spirit of willingness to co-operate because they, more than others, recognize that in their unions they work together and have the power to achieve for themselves. Yet they realize there are other people who cannot achieve for themselves. Those people are at the mercy of what is happening to those of us who are more fortunate.

I really believe we can expect from every decent Canadian the kind of support that will make this control system work. It is not supposed to be easy. It never was easy to take a bitter pill or bad medicine. In fact, when one takes an aspirin it does not get rid of the disease or the germ, but sometimes the aspirin lets one get on a little further with life and do something important. Then sometimes one can treat the germ.

So we must remember at this moment that this is the bad, tough medicine that has been offered to the country by this government, without fear, with responsibility and with willingness to face the full consequences of that responsibility. We are asking only one thing. We are not asking for complete agreement on the part of people on the other side. We are not asking the media to roll over and play dead. But we sure as hell are asking that they treat it as seriously as we do, and that they come forward and say we are in serious times. In these serious times we should be thinking seriously about the matter, and not playing chess or moving back and forth to see who can gain a moment of political opportunity. These are important things. There are very few new things in the world that I have seen.

Mr. Woolliams: I wonder whether the hon. member would honour a question.

Mr. MacFarlane: No, I would not honour a question at this moment. With due respect—although I am sorry—I think I would rather conclude what I have to say.

An hon. Member: You like making speeches.

Mr. MacFarlane: I think I should answer that comment. I tell you, without any embarrassment whatsoever, that

my voice sounded very good when I said wage and price controls would not work. I had no embarrassment in saying that. The timing was wrong. The short period was wrong and the freeze was wrong so far as I was concerned. Like many others I have no great priority on what is absolutely right. If hon. members have listened they will know that I said pretty strongly what I did say. I referred to this problem as a war. I believe that if we do not get that through to the Canadian public we will not achieve what we want to achieve.

I think you will remember there was a man called Chamberlain who was criticized roundly for what he did, but he did give a reprieve while people prepared for the onslaught. We might very well have had a reprieve in this case. That may have been the wrong time, and this may be exactly the right time. The historians who write about this will not be in this House; we will all be gone then. But the people may read it.

An hon. Member: You say it with a smile.

Mr. MacFarlane: I did not intend to smile much in this speech. I want to conclude by saying we would be extremely wrong, on all sides of the House, if we did not recognize that the Canadian public can really be aroused and brought to their feet, working together in a way that would be a war-like attitude in peacetime days. I think we must accept and say over and over again a thousand times that the policy really is to try to make things better for those who are not in the power groups, because if we do in some way improve the situation their lot will be better. This must be said over and over again.

Finally, it must be said that this is indeed a war on avarice. I am very much afraid there are many people who are far better economists than I who want to place it all in the business realm or in the wages realm, but I would say at this time that we had better be prepared for the fact that this is not easy. I do not expect in the next few months to find any cheers. I expect to be going to every shopping centre in my riding. I expect to be going to every legion hall, I expect, particularly, to be visiting union halls. I hope to be visiting those who happen to be Conservatives, members of the NDP and members of the Social Credit party in my area. I will give them special attention because they will have some things they will want to say to me. I expect to do that, but I expect to be doing it six months and one year from now. If three years from now, or at any time, we can stand up and say the battle is 10 per cent won, you will find me cheering the loudest. Remember, it is that serious.

I do not believe any war in which we have been involved has ever been won on any other basis. I do not believe we knew that Vimy Ridge would occur, that Ypres would occur or that the Battle of Britain would occur in the way it did. We had to go into these things with the desire of placing ourselves on the line and placing ourselves before people to take the criticisms, the barbs and make the decisions. I think if people over there are talking about history, they may very well find that out of this so-called war on avarice people will be written up in history, none the least of whom will be the present Minister of Finance.

[Mr. MacFarlane.]

● (1550)

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, a couple of weeks ago when I heard that the hon. member for Rosedale (Mr. Macdonald), who was then minister of energy, mines and resources, was to be the new minister of finance, the first thought that came to my mind was, "Oh, oh; watch out. Canada will get clobbered." That came to my mind because over the past seven years since I have been in the House the minister has created the impression of being a tough guy with the spiked club for the government. It seems that the Prime Minister (Mr. Trudeau) uses him as a clobbering tool or a tool for confrontations.

We can review the history which shows that. In 1969 there were the rule changes when the present Minister of Finance, who was then House leader, clobbered the House of Commons. He took away our right to examine government spending and brought in closure to muzzle the opposition. Then he was appointed the minister of energy, mines and resources and acted in the same style at a crucial period in the life of the country when the spectre of energy shortages first appeared on the horizon. The same minister was used to clobber the provinces over the constitution, and indeed to really clobber the oil industry. Now, in his position as finance minister, he can clobber with this bill everybody who had not been clobbered before. With the power that he is seeking in this bill, he will certainly be able to do it at will.

When the former minister of finance resigned, there was speculation that he did so because he wanted to bring in a prices and incomes policy but could not do it because he could not get cabinet to support the idea. Now it is obvious that the opposite was the case. It is more likely that he was asked by the Prime Minister to step aside because what was needed was a man with a spiked club, not one with a silver tongue, the silver tongue having failed to obtain consensus following his consultations.

Before I speak on Bill C-73 and the principle behind it, let me note some comments that have been made by the Prime Minister and the former minister of finance on income and price controls which were proposed during the course of the past 1½ to two years. During the course of my remarks I would not like to appear to be serving up for the Prime Minister or members on his side a delectable dish of crow, since I did not prescribe this diet for the Prime Minister—he has his own counsellors to thank for that—but by the end of the debate on the measure I suppose someone will see that he eats it. Eating crow, perhaps because of the bitter flavour of the meat, is an excellent remedy for overwhelming pride, or possibly for lack of honesty with the people of Canada.

Let me start with this tidbit trimmed out of a question and answer session starring the Prime Minister, held at the Lindsay Collegiate and Vocational School at Lindsay, Ontario, on May 23 of this year. Someone in the audience, troubled by the way the government seemed to be saying one thing and doing another, very reasonably asked:

Mr. Trudeau, why does your proposed policy regarding wage and price freezing closely resemble that of the Conservatives last year?

It was not recorded out of which side of his mouth the Prime Minister made his reply, but his words have been reported as follows:

Well, the point is that it doesn't resemble it at all. You will recall that they were in favour of compulsory, statutory price and wage controls, they wanted a law which would freeze everything and control everything. We have taken exactly the opposite approach.

That was in May of 1975, only five or six months ago. The Liberals did take the opposite approach at that time, the Prime Minister might have added in his statement, wasting the eleven months since he had bamboozled the Canadian people into electing him one more time. On June 8, 1974, he said "hocus-pocus" when describing the same Conservative prices and incomes policy. In a speech delivered in Oakville, Ontario, he sneered at what he said was a price and wages policy and went on to ask, "Why doesn't Davis control the price of houses?"—little guessing that not much more than one year later he would proclaim his own government's prices and wages policy and not foreseeing that control of the price of housing would not be one of its strong points. "I am told that labour leaders in Canada won't accept price and wage controls", he went on, arguing so persuasively that possibly even he believed it at that time. He also asserted that people in managerial positions could easily be reclassified so that they could obtain increases despite controls.

Speaking in Vancouver on July 3, 1974, less than a week before the election, the Prime Minister laughed at the program of controls advanced by my party. "Food is out," he cried, "imports are out . . . housing is out". These words must have sounded like something black and cawing even at the time, for a woman answered from the audience "And you're out". Unfortunately, he was not turned out; he stayed in. The Prime Minister was ingenuous in finding excuses for sidestepping wage and price controls. Apart from the difficulties already mentioned, he cited the unhappy experience of controls which our country had during the Second World War, controls which, as he said:

—even with the motivation of a national emergency . . . meant thousands of bureaucrats running the economic decisions of millions of Canadian . . . blackmarketeering and the court cases that went with that . . . and illegal strikes and government intervention into even the smallest sectors of the economy.

That little bit of sophistry went winging into the annals of Canadian politics as recently as May 23, 1975. But the Prime Minister's strongest argument against anti-inflation controls—and no doubt the only one he relies on now—was that the inflation experienced in Canada was a "good" sort of inflation, not like that nasty kind that simultaneously affected the United States, France, Great Britain, Italy, Japan and dozens of other nations around the world. According to *La Presse* of June 13, 1974, he believed, and he still professes to believe that in Canada—

[*Translation*]

Part of the increase is due to the rise in the prices of imported products and another part to the rising food prices following an increase in demand. Inflation is a worldwide problem and the situation in Canada is better than in some other countries, like England or the United States.

[*English*]

Well, evidently it is not "meilleur" any more, although there is probably not one economist in the country who can say how changes in the international scene have suddenly altered the tune of the times. As the Prime Minister himself said, with that knack he has for uttering the right words in the wrong context, "Let's not get obsessed with inflation". He is not a man easily obsessed, except perhaps with holding on to power. That is probably why, when he found that he would have to bring in mandatory price and wage controls, he decided to cashier that clever talking-bird, formerly known as the minister of finance, whom he had trained to utter phony arguments against just such controls. It was the former minister of finance, it will be remembered, who said:

The problem is worldwide in origin, with the major source of upward pressure between the sharp increase in prices of agricultural and industrial commodities caused by the unprecedented upsurge simultaneously in the economies of all the industrial nations at a time when a number of these commodities were already in short supply.

I am not sure what that means, but that is what the minister of finance said that time as an excuse for the reason prices and incomes controls would not work. However, it is not clear whether it was the Prime Minister who could not stomach the bird, or the bird that could not stomach what he was saying. We are still awaiting an explanation from him as to what has changed in Canada or in the world to transform good inflation to bad inflation. Will the Prime Minister, the former minister of finance or, indeed, the current Minister of Finance, tell us, for it was not possible for me to see why the government did not bring these prices and incomes controls in a year ago, and it is certainly not easy for me to understand why at this particular time the government seems to have changed its mind?

● (1600)

Perhaps I am not being altogether candid in saying that it is not clear to me. I think I do know what has changed. The winds of political circumstance, have changed. Most of the citizens of Canada were opposed to prices and incomes controls, not having been sure of the true picture of the economy on which to base their judgment, so the governing party drifted to election victory on the warm breeze of overconfidence. Now that the government feels the chilly draft of public unease on its neck, it smoothly alters course like tumbleweed on the prairies, unprincipled and shifting with the wind. Indeed, this government could become known as the tumbleweed government. The policies of this government are like a mature dandelion; they could suddenly blow away with the smallest puff of wind.

The economic picture is no different now than it was a year ago. Nothing much has changed except that perhaps things are now a little better. I have some statistics here which were provided by Information Canada, which Information Canada obtained in turn from Statistics Canada, showing that in June of 1974 the unadjusted consumer price index had increased by 1.3. In September of 1975, which is just a month ago, the last month for which we have figures, it rose by 0.2, so that increase was certainly much less than it was a year ago when we suggested these controls. Looking at the current annual rate of change in the seasonally adjusted consumer price index, in June of 1974 it was 14.3. In September of 1975, the last month for which we have figures, it was 10.2, substantially better than 1½ years ago.

I wonder why things are suddenly so much worse, when the figures show that things are somewhat better? Looking at the unadjusted consumer price index figures for all

of Canada, the average for 1974 was 11.4; the average for 1975 was 10.6. So, again, it leads one to wonder very seriously how convincing an argument can be made that things are suddenly worse now, in terms of inflation, price increases, and so on, than they were a year and a half ago. Indeed, we can make a much more plausible argument for saying that things are better now, as shown by the statistics which I have just quoted. So basically nothing has changed except for the better. We know it, the people of Canada know it, and the government knows it. Neither inflation nor unemployment is worse than it was 15 months ago. They have simply continued at the same high levels or slightly better, putting the country on a collision course until, as if in some colossal game of "chicken", the government's nerve finally broke. Whatever the reasons, the government is now for controls. Little wonder the people of Canada are asking, which is the real Pierre?

I wonder which of his own statements the Prime Minister believes. He has been strangely silent in this debate. He spoke on television a week ago, on Thanksgiving Day, announcing the program; but in the House he has been totally passive. The question is, why? Could it be that he, himself, does not believe in this program? Perhaps he finds it too repulsive to defend. He may simply be going along with it because, in typical Liberal fashion, he feels that the wind is blowing right for the program at this time, or perhaps he realizes the danger for him and for his job as Prime Minister of bringing in a program which could well lead to the downfall of his government. He must be aware of the fact that he may come out of this as Peter the Great, or Ivan the Terrible. To ensure that he is not the latter, or possibly to save his own hide, he has chosen to remain silent, at least for the time being.

Let us look at some of the ways which the new Minister of Finance has defined this sudden, momentous change. In his white paper entitled "Attack on Inflation" the minister approaches this matter from several angles, all of them oblique. He says:

In a speech he made to this House on October 14 the minister encountered further difficulties, like an aesthete trying to point out some beauty in a painting so subtle that perhaps it does not exist. He said:

—the powerful and deeply entrenched inflationary forces racking our economy now imperil our prospects for the future. We have reached the point where there is a very real danger that if inflation is not halted and reversed, it will grow to even larger proportions—

When inflation reaches a certain point . . . Inflation ultimately inflicts grievous damage . . . We in Canada are already beginning to live some of these experiences . . . The risk has mounted—

It must be admitted that the minister's speech also alluded to some vague deterioration in our economic stance vis-à-vis the other major trading nations of the world. No doubt this sudden knowledge appeared in the first week of October. It is still very difficult to accept the explanations for the sudden change. While we are in the midst of admissions, the minister has made one or two of his own. In both the white paper and his speech he admitted that the real reason he and his government are at last taking action is that the Canadian people have finally pushed them into it. In the white paper he says that the evidence of widespread and deep-seated concern in the country shows that rising inflation and unemployment is unacceptable to all Canadians. We told him that a long time ago, at least two years ago. In his speech he said the following:

[Mr. Yewchuk.]

—I think the vast majority of Canadians are convinced that the time has come when we must all pull back.

In other words, when finally the majority of the Canadian people, with all their limited access to economic information and expertise, can themselves see the intolerable nature of continued double-digit inflation, then the government decides to move—and this is the party which campaigned during the last election on a platform of leadership! It reminds me of a person watching the way in which a group of people is going, and then running in front to lead them in that direction.

This is the wrong time to begin a fight against inflation in Canada. It should have begun over a year ago. The government's proposals for the fight are the wrong proposals. They are weak where they should be strong, harsh where they should be mild, ramified where they should be fundamental, and insufficiently worked out where they should be rigorous and thoroughgoing. For example, with regard to housing, how can any one deduce from the legislation being put forward how the cost of housing will be reduced? How will the construction industry be controlled? We have not seen anything at all suggesting certain monetary policy changes which must accompany this kind of legislation, if indeed in the long term anything useful will come from an attempt to fight inflation.

Right from the start, before this legislation even exists, the Minister of Agriculture (Mr. Whelan) has been campaigning to have marketing boards excepted from the anti-inflation program, and the Postmaster General (Mr. Mackasey) has made it clear that postal workers whose contract is now being negotiated will also have a free hand. It leads one to wonder how much cabinet solidarity there is on this matter when as soon as this program is announced two ministers struggle and fight for exceptions within the areas of their own jurisdiction.

The proposed legislation comes down hard on wages and salaries but offers no machinery to match the labyrinth of possibilities for thwarting the intent of the law through unjustified increases in prices. There are already indications that this is happening, that profits and prices will increase rapidly before the machinery for monitoring them is in place. The anti-inflation board which the government is in the process of establishing will, under the proposed terms of this bill, be far too independent of parliament—except in the opinion of the government which seeks to create it. Moreover, it will be more liberally endowed with power than is necessary for it to accomplish its task.

● (1610)

Monetary and fiscal measures which were part of the anti-inflation plan my party put forward in 1974 have received scant attention. There is evidence to suggest the government assembled this program hastily during a weekend. We know that controls by themselves cannot succeed; that is, they can succeed only to a limited degree. We know that other long-term policies must be introduced if there is to be long-term success. As to the government's self-restraint, how likely is that to happen, considering the attitude of the party in power? There will be virtually no new cutbacks in government spending in the current

fiscal year. The civil service is to grow. More than 200 employees are to be added for the proposed anti-inflation review board. The program we proposed comtemplated the employment of the existing civil service; we did not intend to enlarge the civil service in order to achieve our goal.

Government members have said in so many words that if this program does not work we shall soon see complete price and salary controls. If the government carries on as it has been doing, they will not be long in coming. I say that because the program as now envisaged surely cannot succeed.

But what concerns me most of all is that this government has no mandate for this program. Its mandate does not include the imposition of income and price controls. It was elected to do the opposite of that which it is doing. Although in many ways the program the government is proposing is different from the one we proposed, in many ways there are great similarities in principle. Therefore, the government cannot hide behind the excuse that this is a different program. No wonder citizens of this country frequently express cynical attitudes about the morality and honesty of politicians. In any event, the government's program is unclear and fuzzy and is doomed to failure, I suggest, as it will not accomplish its aims for the economy.

Why do I say that, Mr. Speaker? Our economic problems do not merely involve inflation; they also involve massive unemployment. Also, as the program is selective it appears to be unfair to labour. If such a program is to succeed, it must not only be fair but it must appear to be fair. Only then will all in this country support it. At best, this is a stopgap measure. We shall need to introduce other measures to complement the program, as it alone will not bring about the long-term solutions we need.

Let us examine the long-term implications of this program. In the short-term, the proposed solution may be compared to people fighting for the best chair on the deck of the *Titanic*. One could compare the prospects of the *Titanic* to the prospects of our economy. Inflation is fed by growing expectations; greed, if you like. That word may be more easily understood. These expectations are in no small part the result of this government's past policies, policies which were designed to buy votes and which involved during the past seven years huge government extravagance. The total federal budget in 1968, when I was first elected, was just under $11 billion. Seven years later the budget has tripled, the reason being grossly extravagant government policies designed to buy votes. Some of these policies are hand-outs. I am thinking of the Local Initiatives program which is a good example: It creates dependence on government and the feeling among Canadians that you should look to the government for the solution to all your problems. It makes people tend to look too much to the government for programs which directly create employment.

The LIP program was a stopgap measure. The intention was to complement it with long-term programs, which would make LIP unnecessary, but we have seen no such long-term programs introduced. Instead, we have seen repeatedly stopgap measures introduced. One could refer, as well, to widespread abuses of welfare in this country. I do not say everybody abuses the system, yet many Canadians agree that there is widespread abuse of our welfare system and widespread abuse of unemployment insurance. The latter program is not really an insurance program at all, but another sort of welfare program. We know from as far back as the days of Robin Hood that you cannot eliminate poverty and solve economic difficulties simply by taking from the rich and giving to the poor. We need much more fundamental changes in government policy before we can reach the target of full employment and the elimination of poverty in our country. Clearly, the programs of this government have fed the growing expectations of Canadians. Government policies have created too many takers and too few doers and givers, meaning taxpayers.

Government policies have encouraged too much dependence on government. Growing expectations are due in no small part to the government's own attitude. The Prime Minister and other government members have run around the country scoffing at the idea of work, scoffing at the work ethic and scoffing at the idea that people must have the initiative to look after themselves and their own. The government has created the idea that every citizen has the right to something for nothing. We must change that. Deep in our hearts we know that what is happening cannot go on forever. If it goes on much longer we know that our civilization will eventually go the way of the Roman empire and other empires which did not pay heed to their economic affairs.

We ought to realize that we cannot solve our economic difficulties by depending on the government to do it. They will be solved only by the sweat of our brow; by contributing to our country and society at least as much as, or more than, we take from it; by increasing our productivity individually and as a nation; by increasing our self-reliance and reducing our dependence on the government to do everything for us; by increasing our individual independence and initiative. Unless we do this we are lost, as there is no way that price and income controls alone will solve the economic problems facing this country.

No stopgap measure designed to put the lid on the economy will lead to economic well-being. No such policy will make us go in the right direction. If we are to solve our economic difficulties and beat inflation, we must ask every citizen to do what is necessary. Our people must reduce their expectations. We need a government which will not increase expectations by the introduction of programs designed to buy votes, as such programs lead only downhill and we do not want to go downhill.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I welcome the opportunity to participate in the debate this afternoon and to give my wholehearted support to the program which has been put forward by my colleague, the very dedicated and able new Minister of Finance (Mr. Macdonald) appointed a month ago.

● (1620)

As we all know, Mr. Speaker, the government's decision in this matter was not an easy one. I heard the hon. member who has just resumed his seat blame us for having fought the last election on the issue of the inadvisability of imposing controls within the economy, of freezing wages and prices.

We did make that point indeed and do not deny it, since we had found that in 1973, 1972 and early in 1974, before the opposition signed its death warrant by forcing an election, the two preceding years had been extremely buoyant with regard to corporation profits, while most Canadian workers who are governed by collective bargaining had been outdistanced by the runaway inflation which was then prevailing. At that time, we had deliberately turned down the suggestion of freezing wages and prices, especially wages, because those workers who had been instrumental in increasing production in this country and who had to hear the brunt of an uncontrolled inflation, had not had the opportunity to catch up with it by 1974, which was election year.

That is why even at that time, in 1974, on several occasions when I was in the House, the Opposition asked us whether we were considering that problem. I remember quite well that the hon. member for Ottawa-Carleton (Mr. Turner), who was then Minister of Finance, said:

We are considering that possibility, we are drawing up plans which could be carried out if necessary at a given time.

At no time did we say in 1974 that this solution would never be chosen. We always maintained that such a program would have been disastrous for labour in 1974. That is why we did not act then, because we were aware that a great number of people would be unable to catch up. Thus, in the legislation introduced by the Minister of Finance (Mr. Macdonald) we paid attention to a very important date in the history of inflation in our country: we said that all collective agreements would be covered by the new policy, but that in cases where labour contracts were negotiated before 1974 the guidelines of the finance minister's policy would apply but since those contracts were prior to 1974, the anti-inflation board would be authorized to allow special considerations.

And it is in accordance with that principle about contracts not reopened since 1973 that in the present negotiations with the Post Office workers, which unfortunately failed today, that the Treasury Board had knowingly authorized the Postmaster General (Mr. Mackasey) to offer the employees, commonly designated as the postmen, the equivalent of what they might have obtained in June. It is a question of basic justice, because over the past 2 years, they had no opportunity to catch up with inflation.

Of course, there are people who blame us for having introduced some flexibility, though controled, with the board chaired by hon. Jean-Luc Pepin, because we want to establish as much social justice between our various social groups as it is possible. Unfortunately, we shall be at fault. And I must commend the Leader of the Opposition for stating a few days ago in similar circumstances that all situations cannot be covered, that there will always be what he called "rough justice", an expression which I cannot translate in French. And I feel that in circumstances such as these, some people will certainly be a little more favoured than others. But, in my opinion, for society as a whole, the Minister of Finance's program shows enough flexibility to allow us to say that there will really not be any glaring injustice.

But what I now deplore, Mr. Speaker, is that public opinion is giving far too much importance to the salary item only. I was glad to hear today the hon. member for

Edmonton West (Mr. Lambert) asking what effect the guidelines set up by the Minister of Finance would have on profits. I think that this aspect has been completely overlooked and perhaps voluntarily by many—I do not mean members of the House—particularly by the press in general, because they have emphasized a little more the salary aspect.

The other facet of the program is that we are not freezing salaries only. We have also decided to freeze the profits by our guidelines which, in my opinion, are extremely hard on businesses. It is prescribed in the Minister of Finance's guidelines that businesses would not be authorized to raise their prices unless they could prove that the increase is due to higher costs, and this without including any provision for profits. Profits will not be allowed to exceed 95 per cent of the average profits in the last four or five years. That, Mr. Speaker, in view of the current situation, constitute an extremely important element of the program, and too many people would have us believe that it applies only to the workers while in fact we want businesses as well to be governed by the guidelines of the minister.

● (1630)

As President of the Treasury Board, I should like to point out an important element of the program. Some people would have liked it to apply to everyone, but I believed that because of present circumstances it would be wiser to aim at the leaders in our economy, the powerful groups, that is big business or big unions, which exerted considerable influence on the economic growth of our society. We therefore decided to aim at all businesses with more than 500 employees. We are convinced that by dealing with those people, in whom we see the leaders, the market forces are going to intervene so that the smaller firms follow the guidelines; if they fail to do so, they will be put outside the normal competition process in a market economy.

If we want this exercise to be a success, I think, Mr. Speaker, that it is extremely important at this time to explain this aspect of the program to the people to assure them, and I quote the Leader of the Opposition (Mr. Stanfield), that there will be rough justice for all Canadians, but a justice which applies to all groups of society.

[*English*]

As I have said, it is not very easy for the government to put this program into place. I have been involved in collective bargaining on behalf of the government for 14 or 15 months. I could see the pressure on the economy. The policies of this government have been that we wanted, in our collective negotiations, not to become the leader in society but to give comparable compensation to our civil servants. I think that is only fair.

Of course, in the past year I have been confronted with five strikes because I stuck to the policy of the government. I was not too happy about that; nobody is very happy when he has to take a strike, especially in circumstances like ours, because it would have been easy for us to solve all our problems. The people should know that only 1.4 per cent of the budget of the federal government goes to provide for the salaries of our civil servants. So even if we had acted, during the last year, a bit irresponsibly and had given the civil servants a bit more than we

had allocated for, it would have been only 1.4 per cent more in our budget and it would not have been a disaster for us. But it would have meant passing the problem to the other sector of the economy.

Because of this position of responsibility by the federal government, we have taken five strikes. We are entering a sixth one today, because we do not want to become the leaders in the society. I think the offer made to the postal workers is a very fair one, comparable to that accepted by the groups which signed a contract in the spring while the guidelines were not in force. Of course, it was normal for us to make that offer. It was not, as the hon. member for Athabasca (Mr. Yewchuk) said, because ministers are fighting about it. It is written in the guidelines. Their contract had expired before 1974. This applies to any other contract in the same position across the land. So it was not due to internal fights. We are not Tories; we are Liberals. We stick together when times are difficult. It is not a question of one trying to protect the other. It is written in the white paper which we have tabled in the House.

In my view, contrary to what the hon. member for Athabasca was saying, the situation is deteriorating every day. I hope it will stop. With this psychology of inflation, everyone went ahead in trying to get what was being given to other employees, and so on, and the employees were making all sorts of excessive demands and trying to forecast far enough ahead that they would be completely protected against inflation. In the last year we have tried very seriously to bring about a program in consultation with all the elements in society, but unfortunately—

Mr. Stanfield: That has destroyed your credibility altogether.

Mr. Chrétien: We will see in three years time, sir, what it is all about, and I am confident that we have not. As I am explaining, this policy is a different one. We never close the door. Perhaps some got the impression it was completely closed, but when members opposite were asking questions before 1974—I refer particularly to the hon. member for Don Valley (Mr. Gillies)—the minister of finance of the day told him many times we were working on contingency plans to deal with the situation. I think it will be recalled it was always a possible option for the government but, as I explained earlier, the timing was off in 1974.

I would say that what happened to the Leader of the Opposition (Mr. Stanfield) was not that he was completely wrong. When he came forward with his policy the first time his timing was better, but by the time we were into the election his timing was completely off, because it was a time when we had to give labour a chance to catch up because the corporations had made very great profits in the previous year. It was pure bad luck for him. I respect his intelligence. He stuck with his policy, but it came off badly because of the timing. I think that now the timing is good. It is why we are here today and it is why we are getting the support of the Leader of the Opposition.

Some hon. Members: Oh, oh!

Mr. Chrétien: I am glad do hear the hon. member for Athabasca agreeing with me as usual.

Mr. Yewchuk: I am not agreeing with you.

Mr. Chrétien: I am just referring to the hon. member because he is here and we dealt together when I was minister of Indian affairs and northern development. I listened to his speech. For example, I was amazed when he said we should look at local initiatives; it was an awful program and we should not touch it. But members over there should try to reach a little bit of understanding among themselves this afternoon.

The hon. member for Joliette (Mr. La Salle) rose in his place and asked the Minister of Manpower and Immigration (Mr. Andras) a question. He said, "The President of the Treasury Board doesn't want to give more money to the Local Initiatives Program. Will you put a little pressure on him to put more money into the Local Initiatives Program?" He asked that question during the question period, and a short while later the hon. member for Athabasca rises and says the program is no good.

Some hon. Members: Oh, oh!

Mr. Chrétien: I think the Leader of the Opposition should get his members together so that his party might present some kind of consistency in policy.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner (London East)): Order, please. The minister has the floor.

Mr. Chrétien: I am asking hon. gentlemen opposite to make up their minds, that is all. We have made up our minds. We decided in the budget of last June that we would put more money into the Local Initiatives Program this year. But we cannot put in enough money to satisfy all the demand; that is the problem. It is not that the program is not good; it is that the demands are too great. But that is past, now. I was just making the point in passing. It was not my intention to offend anybody; I am too nice for that, as everyone knows. Perhaps I should revert to my role as President of Treasury Board for a few minutes.

There are some critics who say we have not accompanied this policy with a program of restraint. I do think hon. members need be reminded that on June 21, 1975, I explained to the House that very substantial cuts had been made in our spending program. The cuts were to affect every department of government. I was supported at that time by the then minister of finance. I reported to the House that the total expenditures which would not be proceeded with this year because of the necessity to restrain the actual programs which had been approved by the government, amounting to $967 million in one year. For people to say that there was no cut at all is, I think, a shame. But I cannot take this kind of action twice in the same year.

Mr. Stanfield: How big is the deficit going to be?

Mr. Chrétien: It is going to be big. I do not know exactly, but it is going to be in the billions of dollars. Everyone speaks about the amount of money the government is spending. Perhaps the hon. member would like me to table these three sheets. I do not want to go through them, but I have details of all the factors. The statutory payments of the government account for $17.8 billion; 56.4 per cent of the expenditures of the government are con-

trolled by the laws of this parliament. There is no possibility that I can touch them, because all parties have voted for them. Very seldom have measures like OIS and GIS been voted against by hon. members. How many hon. members have voted against fiscal transfers to the provinces? How many have voted, for example, against family allowances, which cost $2 billion?

● (1640)

How many hon. members voted against hospital care? How many would like us to cut those services? How many would like to put an end to the unemployment insurance scheme which today is costing the government a lot of money? I could go on and recite a long list, but I will not go into details. However, the majority of the government's budget is controlled by these kinds of programs.

Let me take, as another example, national defence. This year we are spending $2.7 billion. The number of requests received by the Minister of National Defence (Mr. Richardson) from all parts of Canada today to increase this budget is unbelievable. I think there are good arguments for doing this, but in the present context it is difficult to do so. Then there are payments which are very important to the economy today and which we did not have to make a few years ago. There is the scheme to compensate people east of the Ottawa Valley for the increase in the price of imported oil.

Mr. Stanfield: You get a little tax from the exports, don't you, Jean?

Mr. Chrétien: I am dealing with expenditures. When hon. members refer to the expenditures of the government, they do not mention the tax revenue we receive from the Americans. This is why I am explaining the situation. When hon. members appear to be frustrated and shattered by the expenditures of the government, these aspects deserve mention.

The point I am trying to make is this. I should like hon. members to make suggestions. We had a debate on this matter in July; it was a lot of fun, not at all dull. I remember that my good friend from Edmonton Centre (Mr. Paproski) referred in that debate to Information Canada; it was the only organization he identified. We have a budget of $35 billion, and if we were to cut Information Canada tomorrow our maximum saving would be something like $4 million to $5 million. So it would make no sense. My professor of mathematics used to tell me that although five million is big, there are a thousand million in a billion. In other words, there must be a relationship between the two. I should like hon. members to make suggestions.

Mr. Stanfield: You are the government. How big is this deficit to be?

Mr. Chrétien: We are defending the policy of the government. We are not running away from our responsibilities. What annoys me is the people who vote for all these programs I have mentioned and who do not have the guts now to admit they made a mistake. There is no shame in that admission. I am not in a comfortable position in talking about expenditures, because I am caught between one party which says I am not spending enough, and the hon. member for Winnipeg North Centre (Mr. Knowles) who says I am. The Leader of the Opposition himself has sometimes called me Dr. Scrooge, but I am doing my best. It is difficult, but fun.

Mr. Stanfield: I do not think the government's deficit is fun at all. How big will it be?

Mr. Chrétien: If the deficit is big, we will borrow the money to pay for it. We have done this in the past. We operate the business of government in a very Liberal way; we do not go to the extremes of the NDP or to the extremes of the far right. We are trying to develop a policy that is acceptable to the majority of Canadians.

I think this program is a well balanced one. We have decided not to have too much bureaucracy. During the two years before I became President of the Treasury Board there was—I have to recognize this—an increase in the bureaucracy of almost 7 per cent a year. Then I started to reduce it, the first year to 4.1 per cent and then in June by another point to 3.1 per cent. Next year's program calls for an increase in the civil service of only 1.5 per cent. When this policy is put into place, the majority of government departments will have to live with the same number of people that they have this year. Many vacant jobs will remain unfilled so as to achieve that goal. This will not be easy.

Some departments are calling for the provision of more services. In the present context it will be very difficult not to permit the RCMP to have less men than they want, which is more than last year. In addition, we need more penitentiary guards, and the Department of National Revenue requires more staff. Our population is growing and the people are asking for additional services. There will be a few hundred additional civil servants employed to run the anti-inflation program, but relatively speaking the situation will be much tighter than it has been for a long time.

Mr. Stanfield: It is out of control, Jean.

Mr. Chrétien: It is not. If the hon. gentleman says it is out of control at 1.5 per cent, then I do not know what is in control.

Mr. Stanfield: I mean your deficit is out of control.

Mr. Chrétien: I do not think so. If it was, then I think we would have problems which, happily, we do not have at the present time. The hon. member knows that as well as I do. We have decided to try to control the expenditures of every department; that is apparent in the white paper of the Minister of Finance (Mr. Macdonald).

Mr. Coates: A whitewash paper.

Mr. Chrétien: I do not know what the hon. members means by "whitewash", but if we were to whitewash inflation, then things would be all right. Because nous pourrions laver l'inflation, et nous serions heureux. We will try to control expenditures even more, but I know it will not be easy. We have given an indication in the white paper of what we are trying to do.

I cannot say there will be no increase in expenditure next year; that is impossible. This parliament has made it impossible by indexing family allowances and old age pensions and by establishing the oil compensation pro-

gram. Oil prices abroad are going up. I read this afternoon in the newspaper that Venezuela is about to raise its price, so the people in eastern Canada will have to pay more for oil and it will cost the government more to compensate them. Although that is seen as an expenditure, in fact it is a transfer of payments, partly coming from the tax the United States pays on oil exported from Alberta and Saskatchewan.

I think this program will work and I am hoping that the people of Canada will accept it. Of course they are not happy about it and will want to be sure that everyone will be caught in the net. Following second reading debate the bill will go to committee, and if hon. members have some good suggestions to make, I am sure the minister will consider them.

● (1650)

I would like the people to understand that this program is in the best interests of our country. Inflation is probably a disease that hurts most the people in our society who can protect themselves the least. There are big groups both on the business and union sides who really have abused the situation lately at the expense of the rest of society. The Canadian economic pie has not grown in the last year, so when someone takes an extra piece of that pie—

An hon. Member: But it has grown.

Mr. Chrétien: It has not grown, if you compare the economic situation in Canada with that of our friends to the south who have been in a recession for 22 months. At least in Canada we have been able to maintain a much better performance than the United States.

An hon. Member: Not so.

Mr. Chrétien: For the first time in the history of relations between Canada and the United States, in terms of economic comparability, there was less unemployment last winter in Canada than there was in the United States. That was the first time ever.

An hon. Member: And 4 per cent more now.

Mr. Chrétien: Of course there is unemployment; I do not deny that. What I want to convey is that our performance has not been perfect, by far; but it has been quite good compared to that of the United States.

Some hon. Members: Hear, hear!

Mr. Chrétien: I am glad you applaud both statements. Don't take one; take the two of them. I think we have to work together to make sure this program is a success, and if we succeed in making the program a reality, particularly in the minds of those people who set the trends in our society, I am confident that the economic growth in our society will accelerate and that our competitive position with other countries will be ameliorated so that the future of Canada will be even brighter than it is right now.

I am very glad to be here today to join in the invitation of my colleagues to hon. members across the aisle to do their part. We are a long way from the next election. We are not trying to win an election now, and will not be for three years. Right now, what we have to do is all pull in one direction to make sure the future of this country will be greater than it is today.

Mr. Crouse: Mr. Speaker, would the minister permit one question? In his speech, which I listened to very carefully, he asked for the immediate suggestions of hon. members. My question relates to the 1975-76 booklet on how our tax dollar is spent. There is an indication in this booklet that almost $1 billion is available for consultants' fees. Would the minister consider cutting back on that tremendous amount being spent on consultants' fees, particularly in view of the large number of people presently employed in various departments of government?

Mr. Chrétien: Mr. Speaker, I am glad to answer the question of the hon. member. There is a provision in the white paper through which I have asked every department to cut by 10 per cent the hiring of outside consultants. I should like to point out that although this is shown in those terms in the booklet, if you break down this $1 billion you will find that the majority of it—I am speaking from memory—is for adult training programs in the provinces. We make the money available to the provinces to train the unemployed or those who want to upgrade their skills. It is spent in that sense of consultants' fees, rather than in the terms which the hon. gentleman has in mind. It is for those programs and for the teachers who give courses to the unemployed. I am happy to respond to the hon. member in that regard, and I think I am quite right.

An hon. Member: Most of it is under the Department of Transport.

Mr. Chrétien: I have ordered, in respect of the consultants' fees that the hon. member has in mind, a reduction of 10 per cent in dollar terms for next year.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—Veterans Affairs—Proposed Camp Hill complex at Halifax—Date of tender call; the hon. member for Parkdale (Mr. Haidasz)—Health—Possible revision of maximum levels for mercury chloride and PCB; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Fisheries—Possible discussion of extension of control over resources with United States.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, it is a rare opportunity for one to follow the President of the Treasury Board (Mr. Chrétien) who has come before us in an endeavour to explain some of the reasons he feels hon. members of this House should support the government's proposed wage and price controls which we are now debating. I am pleased he took the time to come before us, as this does not appear to have been the policy of government members up to now. Perhaps he will have set an example that will encourage other ministers to participate in this debate.

I have in mind the Minister of Agriculture (Mr. Whelan), who seems to have some pretty strong views about how this legislation should be applied to the rural aspects of Canadian society and our economy, as well as the Minister of Supply and Services (Mr. Goyer), who is spending a great deal of the taxpayers' dollars on various things. I am looking forward to his participation in this debate in the hope that he will explain how he is going to cut many millions of dollars from his spending so that Canadians will be given the kind of example necessary if we hope to make this policy work. I am pleased, also, to see the Minister of Manpower and Immigration (Mr. Andras) in the House. Canadians are desperately anxious to have him indicate how we are going to do away with the runaway deficits we are facing in respect of the Unemployment Insurance Commission.

In my opinion, there is no way this policy can work, with the Prime Minister (Mr. Trudeau) out on a pilgrimage across this country when he should be here in the House of Commons attempting to put before the elected representatives of the people the ways in which the policy can be made to work, in order that we in Ottawa, who are the ones to whom the people will be listening, can explain those ways to the people. From all I have read and heard up to now, I would suggest the program that has been presented is unworkable because it is geared heavily against the workingman, the poor and the underprivileged of this nation. It will not work because it will not receive the kind of support required from the people of this nation; and whether the government realizes it or not, the majority of the people of this nation are the poor, the underprivileged and the working. They are the people who will be hit the hardest as they are ground into the earth by this program.

It would be most helpful and useful—and we expect this—if all the ministers of the government came forward before this bill is voted on at second reading to explain how they intend to do some of the things the people in Canada want and expect to be done in so far as government cutbacks are concerned. If we are asking everybody in this country to tighten their belts, the first place to start is right here, and right now. That will not happen with this legislation. As usual, it is the wage earner who will be clipped, while big business and the multinationals will be the fat cats because they have the ways and means of getting around the legislation. Those ways and means are not available to the average man in this country.

[The Acting Speaker (Mr. Turner (London East)).]

One of the things the President of the Treasury Board said which interested me very much was that we always come here and talk about government cutbacks, but the only real suggestion we ever make is that we should get rid of Information Canada. That would certainly be a good sign for the people of Canada: it would indicate that the government intended to do something about cutting back, even though getting rid of Information Canada, so far as I am concerned, would be merely a drop in the bucket.

● (1700)

As the hon. member for South Shore (Mr. Crouse) said in questioning the minister, there are many consultants among those who are a bunch of leeches on the government, and a bunch of Grits as well, who are getting hand-outs from this government. It is time for them to go, if this government is serious about cutting back expenditures. I realize that included among these people are consultants whose services may be justifiable, but the amount of $875 million is involved and so far as I am concerned there is a great deal of room for extensive cutting back.

We should not stop there. The President of the Treasury Board explained how good he is at cutting back the growth of the public service of Canada. Well, my peers tell me that the public service of Canada stands at 347,357 employees. The minister indicates he is willing to reduce the amount of hiring to 1.5 per cent a year, or 5,210 people. That represents half the people in my home town. If we place this in its proper perspective, it means that this year the government will hire a number equal to half the population of Amherst, yet the government says it is cutting back.

I say there should be no increase in the public service. As a matter of fact, there should and can be a decrease in the public service merely by allowing attrition to take its course. That would be another example to the taxpayers of this nation that this government is really serious about doing something about the high cost of government in Canada. This should happen right away. One of the ministers should be telling us that rather than reducing the amount of hiring from 7 per cent over a period of time to 1.5 per cent, this is what will be done.

Another thing that should and can take place is a reduction in the tremendous deficit in the unemployment insurance fund. There is no way we can continue with this program in its present form. The Minister of Manpower and Immigration should face up to this fact and do something about it. The cost of operating the unemployment insurance plan is becoming prohibitive. In 1974-75, the total benefit payments amounted to $2.3 billion, with the government picking up $700 million. Benefit payments in 1975-76 are expected to exceed $3.75 billion, placing a total cost on the government of approximately $1.75 billion, an increase of approximately 150 per cent over the previous year.

This total increase reflects in part the increase in unemployment. Unemployment in 1974 averaged 5.4 per cent and has been running this year at an annual rate of 7.2 per cent, an increase of 31 per cent; and there are indications it will rise to at least 8 per cent by the end of the year. However, unemployment statistics as such do not account for all the increase in pay-outs. While unemployment rose by 31 per cent, the total cost of UIC from April, 1974, to April, 1975, rose by 69 per cent. More important is the fact that the length of benefit period for recipients increased by 51 per cent over the same period.

Since I have been a Member of Parliament it has been my understanding that the unemployment insurance plan is a stopgap scheme to assist the person who becomes unemployed. It is to assist him to get over the period until he is again employed. The way the scheme works now, with the amount of benefits being provided, it has become almost a way of life to may Canadians. A great many Canadians misuse the unemployment insurance fund, and this misuse must be stopped. Further, a great many people pay into the fund who never receive any benefit from it. In effect, they subsidize those who rightfully and wrongfully secure benefits. The people to whom I refer receive no benefit whatsoever during a lifetime of work, although they contribute a tremendous amount of money to the fund. As Members of Parliament, we must see that the unemployment insurance fund gets back on the right track again. We must see that it gets back on the road to reality, because some of the things that happen now are unreal.

If one is looking for ways to save money, there are a number of ways this can be done. One way would be to combine the Unemployment Insurance Commission with the Manpower operation in this country. We made a major mistake in separating them. The sooner government accepts that this is the time to bring the two together, the sooner the problems associated with the fund will be eliminated. I see that the minister nods his head and I assume he agrees the two operations should be combined.

I believe we could save money by packaging the two operations together. In this way the service could be improved and the public would be given the assurance that the man in the unemployment insurance office was aware of the jobs that were availabe. Also, in this way, I believe, a service could be provided to business people and others who require employees, because they would be able to go to the same office and determine from the manager which people were unemployed and available for work in the required categories. This would do much to streamline the operation and to save money.

We must also have a more basic realistic benefit qualification period. Too short a time is involved when in a period of eight weeks one can qualify for unemployment insurance for a period of 40 weeks. This is just not realistic. There may be many things we should do in order to get the fund in more realistic balance, but one thing we must do is extend the period of qualification from eight weeks to at least 12 weeks as we suggested when the legislation was first before the House. If it should be found that a period of 12 weeks would not bring the fund into a realistic balance, then we would have to consider a period of 16 weeks, which is the period which existed under the old legislation.

So far as the amounts available are concerned, I say we should go step by step in an effort to extend the period of time for qualification and see what the result is before we attempt anything further. I believe we should also determine whether the amounts to be paid are too high in comparison with what is available on the street if a person is employed. There is not much fun working if one can receive as much money while not working.

The problem that exists in many parts of Canada is that business operations have a competitor in the form of the unemployment insurance plan. This situation exists in my area. At the same time, unemployment insurance is a godsend to most people in my part of Canada. It is crucial to the livelihood of many people in the Atlantic provinces, because most of the people who look for jobs, especially at this time of the year, are unable to find them no matter how hard they look. At the same time, however, there are employers who have difficulty finding people to work for them. While people are in receipt of unemployment insurance there are many jobs for which they are not available. I am sure each of us is aware of cases where employers are looking for people to do a job and cannot find them.

• (1710)

There has to be realism, but there is no realism when you have the Prime Minister telling people they do not have to work if they do not want to. That is the kind of philosophy we must overcome, the kind of philosophy that has done a great deal to produce some of the problems we are facing.

An hon. Member: Oh, oh!

Mr. Coates: I do not know what the hon. gentleman across the way is saying.

Mr. Muir: It doesn't matter what he said, because he never says anything worth while.

Mr. Coates: I would suggest to you, my friend, that I will come into the House without a text any time at all, as I am doing right now. Try to emulate me, that is all. Sit around here a while, learn a little, and perhaps you will get to be a bright boy. But now you are a long way from that. Talk to the fellow beside you who has brains and knows what he is doing.

I want to make a suggestion to the Minister of Agriculture. I was very concerned about the near accident in which he and his family were involved, as I am sure all hon. members were. But I suggest to him seriously—not because he almost happened to be in an accident—that one of the examples he could set for the taxpayers of this nation is to convince the government to put the fleet of executive jets at their disposal in cold storage, and say to the cabinet ministers and everyone else that this nation has airlines which most people have to use, and there is no reason why government members should not use them except in circumstances of great urgency where the use of a government jet is required.

In most instances there is no real reason to use the fleet of government aircraft used by cabinet ministers today. I think the Canadian people would be really impressed if

the government would put the fleet of aircraft in mothballs and in this way set an example in paring government expenditures. I can give an example. One day I was at the airport in Ottawa, on my way to the maritimes, with a stopover in Montreal, and I was talking to a cabinet minister who was also going to Montreal. I interrupted the conversation to stand in line to board the plane, and when I looked around the minister had disappeared. The first thing I knew, I saw an executive jet with "Government of Canada" on it taking off. The minister was going to Montreal on that jet when an Air Canada flight was leaving at the same time, a flight which he could have taken. Instead, we paid for the gasoline which we are supposed to be saving.

Some hon. Members: Oh, oh!

Mr. Coates: Someone says "Oh". I tell you, if people in this nation are cynical about politicians, it is because of the extravagances in which they indulge with the taxpayers' money, such as flying around in government aircraft when there is no need for it. That is the kind of thing that will destroy any chance of making this program work, because people believe we want them to take on all the things that are required to make the program work, while we do not want to do that ourselves. We must show, first of all, that we will do the job and set an example. When we set the example, they will follow. Mr. Speaker, there are many ways in which we can set examples.

Some hon. Members: Hear, hear!

Mr. Coates: One is to tell the people of Canada that we will set the example, not follow their example; that we will carry out the cutbacks first and show them we can produce. Then we can expect them to produce. We will have to show the wage earner, the little guy, that he will be as well protected as the big guy. I am not at all sure that he is convinced or will be convinced until he hears the Minister of Labour (Mr. Munro) make a speech in the House outlining the ways in which we will do it. When that is done, maybe he will get the kind of support which the Prime Minister is asking the people of Canada to give him in producing the policy that he has outlined to us piece by piece.

I would like to put on the record, for the attention of the President of the Treasury Board and in repetition, a statement made by the hon. member for York-Simcoe (Mr. Stevens) on October 14 which is a realistic assessment of the reason the government has to set the example. This is what the hon. member said, as recorded at page 8213 of *Hansard:*

> Since the Prime Minister took power in April, 1968, the money supply in this country has risen by an astounding 111 per cent, a 15 per cent increase in the last 12 months alone. In the same period we find that inflation has gone up 58 per cent. This is the inflation that the Prime Minister spoke of breaking back in 1969.
>
> Perhaps most significantly during this period, the government's own spending has jumped by 192 per cent, it has almost doubled, yet in 1969 we had a prime minister who had the nerve to suggest that his government in future years was going to be a government of restraint with respect to monetary growth and government spending.

The 192 per cent increase in government spending is the reason most Canadians will not believe the Prime Minister and will not believe us when we are talking about restraint. What we must do very soon is show the Canadian public that there is real restraint in the minds of the Government of Canada and members of parliament, and then perhaps we will get them to support us and make this program work.

● (1720)

[Translation]

Mr. Eudore Allard (Rimouski): Mr. Speaker, the steps advocated by the government are no doubt essential under the circumstances. It is obvious that Canada is facing a serious inflation problem, but we must also admit that if our country continues to suffer from the excessive rate of inflation, it is merely ascribable to the various ineffective measures advocated by the government for years to eradicate the said evil.

There is no doubt, Mr. Speaker, that it is more than ever essential to find some solutions in the shortest possible time to thwart that serious problem, but if the malaise persists or continues to worsen at this rate, it will surely compromise the already precarious economic balance consequently increasing the rate of inflation throughout the country.

Of course, I agree that in our present system there is no easy way to solve the infaltion problem. But I doubt that the proposed government measures to control inflation will produce the expected results. Furthermore, the battle undertaken by the Prime Minister on October 13 is puzzling a great many people and is causing more apprehension than satisfaction.

Again I feel almost sure that the proposed austerity measures and the efforts of the government and its economists in the next three years will not cope with this problem. There is no doubt whatever we are living in a very critical period, we are in fact on the threshold of a depression that may take catastrophic proportions and perturb our society.

Mr. Speaker, the measures the government intends to take are unclear, but at least one thing seems very clear to me; it is that the anti-inflation program emphasized the seriousness of the economic situation in Canada and at the same time focussed the attention of the whole population on the problem about which we are most concerned.

We notice, Mr. Speaker, that all governments have been invited to cut their expenditure but not to freeze them. Moreover, businesses will be able to boost their prices only by as much as their production costs have increased, but ordinary people do not know how to figure out the cost of production. I sincerely believe there is plenty of room for acrobatics in that area.

It is very easy to show once and for all we want to do is to control wages and bring the unions down to heel to save our country from the disaster that awaits us if we are not careful. There is no doubt either that to succeed we must control prices.

As a matter of fact, I was just reading an article containing the comments of the Quebec Food Council and the Quebec Producers Union. The government should at least have prevented grain prices from being determined on the open market by the Winnipeg or Chicago grain exchanges.

I understand that the government is unwilling or afraid to set a price for the producers of western grain on the international market. But it could bring part of the production under a quota system for the domestic market and set the price for this grain.

In this way, the cost of feed grain would remain firm and thus ensure a better price to the consumers. As to the prices of fertilizers, carbohydrates and gas, since they are imported goods, the government has hardly any control over them.

If I may, I should like to quote part of the article dealing with the control of grain prices. The government could intervene at the border by limiting meat imports and exports, because hog prices are going up in the United States and, consequently, in Canada as well. But to close our border would create such delicate international problems that Ottawa seems unwilling to face them. Finally, it remains that on the great majority of basic commodities such as vegetables, fruit, sugar, coffee, cocoa, spices, etc., the government cannot exert any control, for they are imported for the most part.

Now, Mr. Speaker, the fact remains that under the present circumstances it is very easy for the government to increase prices, but whatever the government may do, it remains that when it comes to control food stuffs products things become more difficult.

It seems to me that the government has taken no measure to overcome such difficulties. That is why, in the long run, it will be forced to pay citizens' organisations to succeed in controlling prices set by businesses. However, some special squads will have to be set up. They will be responsible for watching big food chain stores, or to rely on federal public servants which will be appointed for that purpose.

With regard to penalties for lack of compliance, will the government have to determine prices, instead of the companies? In case of monopolies, will there be some flexibility with regard to corporations which have to face a harsh domestic or foreign competition? Those are the questions that come to my mind.

Finally, Madam Speaker, everybody knows that the root of inflation is in prices, and moreover, until now experience has shown that the majority of controls that have been imposed in different countries have failed to curb prices because it has been shown that such controls cause economic disorders that have to be cured later anyway.

Therefore, I think that if the real cause of inflation is prices, the government should first make a serious study of the structure of prices in relation to the monetary system. In any case, since the process of determining prices is itself a part of the monetary system, such a study should necessarily include a comprehensive review of the way the system works. It would then be easier to wonder why in certain respects that process is inadequate.

Because of today's pricing system, the public in general has to shoulder the total production costs over a given period whereas, in normal times, it should only pay for the total consumption in that same period. In other words, if I buy $5's worth of goods and have to pay $10 for them, obviously the cost of living is inflated.

It is common knowledge that the rigidity of traditions has proved to be one of the main obstacles to progress in man's discoveries and that, most of the time, it takes but a flash to realize that we are on the verge of a crisis. We of the Social Credit Party have often warned this government of the impending danger of inflation which is now hitting us head-on, but our warnings fell on deaf ears. Madam Speaker, we are now facing such a problem. This is, in the main, the result of errors made in the past by our monetary and fiscal authorities.

● (1730)

In my view, it is extremely urgent for us to get out of this financial system which is not really consistent with the realities of production and consumption, since in the face of spiralling prices we need an increase in the purchasing power too. Finally, if the purchasing power is allowed to increase without a reduction in prices, it is necessary, of course, to distribute more money among consumers.

Now, Madam Speaker, under the present system, it is realized that money is only distributed according to a participation in production. It is then that all the costs are reflected in prices. It is essential to provide the goods to meet adequately the normal needs of the people. Then inflation would no longer exist.

Madam Speaker, since the purpose of production of goods and services is to meet the needs of the individuals who make up the nation, everything else, both labour and capital, are only instruments, means of achieving an end. In other words, the sole purpose of the product itself is to make life easier for adult citizens, but that same profit should not become all-important in society as a whole.

All our economic ills stern from that. Profit which is good in itself becomes bad and harmful when it becomes excessive. That is why in our great country both rich and prosperous, the rich become richer and the poor more numerous. As a result, the unbalance in our economy is borne by our children, the low wage earners, the unemployed, those without an adequate income to enjoy our wealth because of the prices being charged.

Madam Speaker, we, of the Social Credit Party of Canada, seriously believe that the monetary system accounting is truly wrong, because if the financial system were realistic, inflation would surely not exist and prices would not rise. On the contrary, the people would witness a gradual decline in prices technological progress and production methods would improve.

There is no doubt that if the federal government really intends to combat the steady and deep-rooted inflation, which I do not question, it must consider more seriously, the concret proposals put forward by our party, for I am sure they are the solution to inflation and unjustified price increases.

Madam Speaker, among the measures annouced by the federal government on October 13th, I think they should have included provisions for protecting low income people by raising, for instance, $6,000 to $10,000 the low income ceiling, that is the salaries of workers who will not be entitled to an increase of over 10 per cent. It is essential that the fight be not waged at the expense of the low-income class. Besides, would it not have been more sen-

sible for the federal government to provide that advertising, the primary purpose of which is to induce people to buy more, be somehow restricted as well? As they stand now, the measures will penalize the little guy, the low-income worker. But what about the media television, radio and press alike, that are trying by all means thinkable to urge people to ignore those measures, instead of tightening their belts, as the government is advocating?

Actually, Madam Speaker, governments are in the final analysis responsible for inflation, first of all because they are the biggest employers in the country and also because they do not produce genuine wealth.

Mr. Lambert (Bellechasse): They produce debts!

Mr. Allard: Mainly taxes and debts, as my colleague from Bellechasse has so aptly put it.

Once again, Madam Speaker, I want to repeat it, the time is ripe for new measures that will guarantee fairness in dealing with producers and consumers, in a word the entire nation. I therefore appeal to the government once and for all to assume its responsibilities and give full satisfaction to all Canadians. And to do it, the present majority government should take the necessary arrangements to propose an intelligent, serious and efficient solution to the present situation.

However, Madam Speaker, I doubt very much that within the present system we have the oppotunity to act as I think we should. On the contrary, we, from the Social Credit Party of Canada, have been for many years looking for every possible way to bring the government to study our sensible and practical solutions to fight inflation. And my colleague, the hon. member for Abitibi (Mr. Laprise) raised last week one of these solutions, the compensated discount allowing producers to make a just and reasonable profit and at the same time giving to the consumer a chance to pay a reasonable price to meet his vital needs.

Furthermore, Madam Speaker, the government should have taken action to reduce excessive interest rates and bring them back at the same level as at the time when our economic situation was satisfying. Let us not forget that these interest rates have been in force for twenty years, if my memory serves me well from 1944 to 1960 and during that time, our economy was stable and everybody seemed to be happy. If we look around us, we see that, in the residential construction field particularly, everything is not alright. Why? It is only because of the excessive interest rates we now have. Are there many people able to buy a house when interest rates reach 12 per cent? Really, I do not know many of them.

If you cast a glance at the cost for building single family dwellings in Montreal since the seventies, you realize that it cost $13.42 a square foot in 1970. In 1973, the same square foot cost $17.22 and today in 1975 it costs about $27: what a shame!

We can therefore infer that within five years, prices have doubled. As you may see, Madam Speaker, it has become urgent for the government to take measures and I therefore seriously think that before anything else interest rates should be lowered in order to give a new impetus to housing construction, to increase output capacity and thus check unemployment and meet the needs of all Canadians.

I also think it is time for the government to try by all means to have the Bank of Canada,—the bank of Canadians, an institution which derives its policies from the government and from ourselves here in Parliament—to have the Bank of Canada assume its real responsibilities, namely control credit in the interest of our economy and people. It has undoubtedly become a matter of urgent necessity that the Bank of Canada should aim its credit lending policy at ensuring a smooth growth of our whole economy.

Madam Speaker, if the aim of the central government is to find means of checking inflation, I wish with all my heart that they would take the necessary measures to review more seriously the concrete suggestions of our party, for I am convinced that therein lies the solution to inflation and the unjustified soaring of prices.

● (1740)

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, in a debate involving a policy as important and as novel to Canadians as this one, it is essential in my view that every member in this House keep in mind the consequences of the proposals now before us.

The President of the Treasury Board (Mr. Chrétien) indicated the government wants these measures to be fair to all.

May I remind you, Madam Speaker, of a principle of social policy that should be reflected in every measure under discussion. That principle is that any fiscal or financial action that does not aim at narrowing the income range is socially backward, and can have adverse social repercussions in an economy of free circulating capital and labour as ours. If we look at the social groups affected by these measures, it is easily seen that this legislation will create in a very short time an unacceptable imbalance.

Before I speak of three groups of workers I feel are more severely affected than others, I would recall briefly two causes of inflation whose effects deserve to be mentioned. The first of these causes is the government spending policy followed by the governments of Canada in the course of the last few years. Evidently, in a federal structure as ours, the power to spend is inherent in every level of jurisdiction. It so happens that the federal government controls some 40 per cent of the overall government expenditures, and that the remaining 60 per cent are shared by provincial and municipal governments.

We have seen during the last few years, for example, that in the construction industry governments were unable to do the kind of coordination that would have prevented the current rate of inflation, the rate experienced last year for instance and which is in the order of 28 per cent in the building industry. Provincial governments including the Quebec government, municipal governments as the city of Montreal for instance, the federal government, introduced big programs without really considering the effects that they would have on wages, on materials and, in general, on the normal relationships among the main agents in the field of construction.

During the last two years, the building industry has known an inflation rate which has no equivalent in any other field in Canada. Today, the government realizes the importance of coordinating these programs and initiatives.

I therefore hope, Madam Speaker, that the Minister of Finance (Mr. Macdonald) will have enough leadership to force Canadian municipalities to meet around the same coordinating table, which would enable us to prevent expenses which could cause or continue to cause galloping inflation within this industry.

I have to add, Madam Speaker, that labour relations, mostly in other manufacturing sectors, have been a direct cause of inflation in Canada. We set records last year. According to the statistics published by the OECD, Canada is one of the countries which has lost the greatest number of man-weeks of work, which is certainly unprecedented in the history of Canada. I do not want to blame these strikes on the workers who decided to stop work for all the reasons that can be judged good and acceptable in an economy such as ours. However, Madam Speaker, social problems and the problems caused by these many strikes and the losses of man-weeks in Canadian economy have also been a very important inflationary factor. We must not think that legislation such as that which we are now discussing will bring a solution, a remedy to all these problems which are, in my view, inherent in the federal structure of our country and the economic structure in which we live.

There is also, Madam Speaker, another cause of inflation which, in my opinion, is given too little attention in the bill which we are now discussing. I want to speak about the wild prices policy practised by certain Canadian industries. I shall only mention the case of the sugar industry, which is a basic element in the manufacture of all the food that we eat in Canada. It is unacceptable that we experienced a rise in the price of sugar of more than 200 per cent whereas, within the same industry, the supply, the rate of supply remained at a normal and acceptable level.

Of course, legal procedures were launched and resulted in slowing down and even reducing increases, but obvisouly the manufacturing industry is largely responsible for the tremendous increase in costs in some sectors of supply.

It must also be pointed out, Madam Speaker, that some distribution agents practiced a disastrous supply policy. Suffice to recall that last summer we witnessed helplessly the destruction of hundreds of tons of turnips, cabbage and other vegetables because the other food chains would not buy the products the Canadian economy could supply on the pretense that they now had annual food contracts and the seasonal policy that used to be practiced was no longer adequate in our economy. How can one think, Madam Speaker, that in such an economy which is somewhat off course the causes of inflation are only the responsibility of wage earners.

I think, Madam Speaker, that it is time to draw the line and that the bill we are now discussing will not be enough to ensure balanced income, salary and price growth if we do not launch an overall attack on all fronts and not only through Bill C-73 but through the combines bill we passed last week and an unprecedented coordination of public expenditures in the political history of this country.

I pointed out at the outset, Madam Speaker, that the measures contained in Bill C-73 must be fair to everyone. I think after reading this bill that unfortunately it will not be fair to everyone. The first group of wage earners to be affected in an unbearable way by this bill is those wage earners whose incomes are below the average minimum income or the poverty line as defined by the Economic Council of Canada.

In a report published by a Senate task force in 1971, income brackets were set for families of three, four and five children. In 1972, for example, Madam Speaker, the minimum average income for a family of five children had to be $6,850. If we add the 10 per cent inflation for the years 1973-74, we arrive at an average minimum income of $8,200.

However, if we look at the incomes of those groups of wage earners within the classes of the minimum wage scale, we find a total income of $6,850; in other words a family whose only income would be the minimum wage or the minimum wage scale would be below the poverty line as defined by the Economic Council of Canada and the Senate report on poverty.

Madam Speaker, we learned in the press during the weekend that at least one provincial government refused to follow a recommendation to increase the minimum wage on November 1. The Province of Quebec had a minimum wage of $2.60 an hour and it was to be increased to $2.90 an hour on November 1, 1975, that is within about 10 days. That 32 cents increment was made up of 15 cents for catching up and 17 cents for indexation. Therefore, the 15 cents constitute about a 6 per cent increment. Madam Speaker, in the wage scale which has been made public by the Minister of Finance, we see that an 8 per cent rate would be acceptable.

Consequently, all workers, particularly the 500,000 workers in Quebec who come under that minimum wage decree, will have to suffer the burden of the fight against inflation in coming months without even being allowed the 8 per cent indexation which seems generally observed everywhere.

Madam Speaker, I think we cannot accept a legislation whose effect would be to have wage earners who have no defence except a government decree carry the burden of the fight against inflation. It is essential that the burden of this attack on inflation be shared fairly across Canada and supported equitably by every Canadian.

I do not think, Madam Speaker, that we would improve the social climate if we were to force 500,000 workers in a province to provide for their needs with an income whose purchasing power is perpetually eroding. One has to have net people subject to the decree on minimum wages to understand how those people are directly affected by every parliamentary measures.

Madam Speaker, the worker earning the minimum wage rate for 40 hours' work gets $6,800 a year. Because of the inflation which continually erodes the family budget, this worker has to work overtime to be able to maintain his income at or slightly above the poverty line.

● (1750)

I think, Madam Speaker, that the object of Bill C-73 is not to place the excessive burden of our attack on inflation on the backs of the small wage earners. The reasons put forward by the president of the Minimum Wage Commission in Quebec seem unjustifiable to me in the present economic situation.

The first of these reasons is that only the Minimum Wage Commission or the Minister of Labour has the authority to proclaim such an increase and that the government has taken no decision as yet. That is not a sufficient reason, Madam Speaker. If the government has the authority to enact a minimum wage, it does not have to beat around the bush and consult everybody. It can determine the minimum wage on the basis of current economic indexes supported by statistics.

The second reason put forward is that since the Commission was not formally authorized to enact such an increase, nobody could do it after the necessary consultations with the industry and the unions.

Madam Speaker, it is the same as saying that someone is responsible for the minimum wage without knowing who he is. So, let us try to find out who it is, and then we can do the proper consulting. Can a responsible government behave this way in an economy in which the wage earner's purchasing power governed by a decree is constantly gnawed away by inflation?

To my mind, Madam Speaker, such a statement is proof of irresponsibility. A third reason was given, namely that the Minister of Industry, Trade and Commerce (Mr. Jamieson) intervened pretexting that a 32-cent increase would have a bad effect on the industries governed by the decree.

Now, Madam Speaker, what industries fall within the jurisdiction of the minimum salary decree? They are mainly the sewing, clothing and shoe industries. They are also the food, confectionery industries, and those which transform food products in one way or the other. And generally it concerns all the employees, all the smaller industries with a market which is restricted to a given province or a given territory.

Therefore, Madam Speaker, if we are to help more these industries thrive in competitive markets, it is not by making the wage earners of these industries bear the burden that we will succeed in reinforcing the structure of the Canadian economy.

Rather we will succeed in improving their output by turning directly to the structure or to the components of these industries, to their competitive position, to their competitiveness, to their productivity. We will not succeed directly in improving their competitiveness by freezing the salaries of the wage earners in these industries.

Of course, Madam Speaker, one could allege that by increasing immediately the wage scale of the workers in this group we could add to inflation. Madam Speaker, for a family of five, with three children and two spouses earning $6,850 a year, even if you add to this $500 a year it is hardly enough to meet the bare necessities. There is no inflationary effect as a result of the demand, when one family is simply allowed to meet its basic needs, such as lodging, food and clothing.

Instead one should look for the inflationary effect in higher categories with annual incomes of $24,000 or more. Now what do we find out in these categories? We find out that the authorized increase will be about $2,400. Obviously, the Minister of Finance has remarked that the tax measures will allow the treasury to recoup a substantial amount of that $2,400 rise.

[Mr. Joyal.]

Madam Speaker, let us look at the tax tables to see the amounts allocated to public funds. In 1974, the Quebec provincial income tax was putting only 42 per cent of that $2,400 increase back into the coffers of the province, which means that a salaried man or a professional with an income of $24,000 would still be in a better position than the wage earner whose salary is below the poverty line.

And, Madam Speaker, I agree fully with the Minister of Finance that it is not by overtaxing salary increases per se that we can get to the root of inflation.

The Minister of Finance was right in making the proposals he did, but the recommendation which seems to me essential at this point is the one which aims at limiting those increases in the comparative scale to the salary level of workers whose earnings are below the poverty line.

Therefore, Madam Speaker, I hope that the minister who, tomorrow or the day after, will have the opportunity to meet the provincial ministers, will ask them to reconsider their whole attitude towards those workers who are governed by the ruling on minimum wage, so that those wage earners may at least benefit from the increases which the legislation provides.

Moreover, Madam Speaker, I think that even if those raises could be granted to wage earners, they would clearly remain below the average minimum income for those families.

The Minister of National Health and Welfare (Mr. Lalonde) has already advised the House in previous months that he is working on the development of a guaranteed annual income scheme and to my knowledge, every member in this House is deeply interested in the implementation of such schemes. How could we now be satisfied when the wages of those under the poverty level will be definitely frozen, while union members who can resort to the usual bargaining powers will still obtain the raises allowed under that bill?

I think that during the next few days, we should make a special effort to make every member realize that the consequences of that bill should be equitable for all. Unfortunately, during the past years, we have noted that the forces exercised on the market have not always given the anticipated results.

There are several pieces of legislation which the House is willing to consider and adopt. They must be applied without delay. I feel it is necessary for the Minister of Finance to contact his colleagues as soon as possible and realize that the co-ordination of public expenses has become an imperative of our political structure. He must also realize that all wage earners covered by the minimum wage provision cannot be satisfied with the wage freeze as it now exists. They are even worse off than our public service employees.

It is recognized within the salary scales which appear in the bill that public service employees will be at least entitled to this increase, even if it is greatly below what they were asking for. On the other hand, when the time comes to deal with wage earners, with the 500,000 Quebec workers covered by the minimum wage provision, they say: "You will not get more than $2.60 an hour." In my opinion, this demonstrates a serious lack of social justice and I truly doubt that this policy is clearly reformist.

Madam Speaker, I do not think that pieces of legislation such as those we adopted over the previous months to increase by 10 cents the price of the gallon of gas for wage earners, for workers who commute, shorten the gap between those who earn less and those who earn more. In the present economic conditions, a government must essentially propose as the aim of its fiscal, monetary and economic policy to shorten the gap between those at the very bottom of the wage scale and those at the very top.

Madam Speaker, I ask for the support of my colleagues so that we can all put pressure, not only on the federal Minister of Finance, but also on our respective provincial finance ministers so that employees subject to those minimum wage decrees can at least obtain increases equal to those provided for in the legislation. I think that is the least we can do if, as the President of the Treasury Board (Mr. Chrétien) suggested, we want to see to it that the legislation applies to everyone and that the burden of the fight against inflation is justly borne by all Canadians whatever their income level.

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until eight o'clock this evening.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. John Rodriguez (Nickel Belt): Madam Speaker, before we broke for the supper hour the hon. member for Cumberland-Colchester North (Mr. Coates) said that the whole matter of fighting inflation and being responsible for bringing inflation under control rested with the example we set and gave to others. He was, of course, referring to ministers of the government in the way they conducted their departments. I think the way we conduct ourselves in this House is an example to the Canadian people.

The hon. member forgot some other very important aspects of how we conduct ourselves in the House of Commons. For example, we ought to be prepared to eliminate the subsidized meals served in this building. We ought to be able to say that the prices in the cafeteria and restaurant of the House of Commons are the same as working class Canadians pay when they buy their lunch.

We ought to be able to say that members of parliament who want to fly to Europe should not use Canadian armed forces planes to go on holidays. One of the arguments made in this House for increased indemnities for members was that they should be permitted a wage that they can live on and do things other Canadians do. It seems to me no private Canadian citizen can climb on to what is called euphemistically "Richardson's airline" and fly on holiday to Europe. This kind of belt tightening must be demonstrated to the public.

The hon. member for Maisonneuve-Rosemont (Mr. Joyal), a government member, made a good speech. He criticized the bill presented to the House in a way that New Democrats on this side of the House would describe it. I suspect that, when amendments are brought forward and the time comes to vote, that member will stand up and be counted with the members of this party who intend to oppose this legislation.

The Prime Minister (Mr. Trudeau) certainly has a flair for the theatre. This is very apropos. It does not surprise me that on the fifth anniversary of the invocation of the War Measures Act, which was last Thursday, the Prime Minister introduced Bill C-73 to control wages and prices in Canada. For the past year, including during the last federal election campaign, the government has been saying that wage and price controls were not workable.

Since the federal campaign of 1974 the former finance minister and an assortment of other ministers have been going around the country laying the blame for inflation on the backs of the workers. They have been saying that it was the workers of Canada, in their exorbitant demands, who have caused inflation in Canada. In addition, their productivity has been criticized. It is said that our workers are not as productive as workers in the United States or in other industrialized countries. The claim was made that the expectations of Canadian workers were out of line, that they wanted the highest wages but were not prepared to work hard to satisfy their expectations.

What was in fact happening was that Canadian workers were responding to spiralling inflation, much of which was precipitated by the government. For example, in the housing field, it was fairly obvious to the most casual observer that land costs were escalating beyond the means of Canadian workers. As far as mortgage interest rates were concerned, they were completely out of whack with what the workers of Canada could afford. The aspiration of a Canadian worker to own a home or a single family dwelling is certainly not out of whack, but lo and behold when he goes to purchase a home the mortgage rate and the payments per month are completely beyond his ability to pay.

● (2010)

Another area of concern for Canada and the Canadian workman is increased food prices. The government, as a result of rocketing food prices which had no relation to what farmers were getting, established the Food Prices Review Board, and Mrs. Plumptre was named as its chairperson. Many predatory price practices were identified by her posse, including double ticketing and products artificially enhanced by the use of such things as red lights over meat counters, etc., etc. She, apparently, gave the green light to monopoly pricing by large corporations such as the Weston empire, and she also began to attack labour in Canada, completely disregarding the structure of the so-called free enterprise system. With this monopoly pricing the effect of the present anti-combines legislation is as useless as horns on a cow. This is not the first time we in Canada have seen an all-out attack on inflation by the Liberal government.

An hon. Member: That shows how much you know about cows.

Mr. Rodriguez: I don't know much about bulls either. You will remember that the year was 1971, which was not so long ago, when this government was full of the attack on inflation. We all remember that; it was the first war on inflation. The unemployment rate in Canada at that time

was 4.8 per cent and the inflation rate was 3.3 per cent. At that time that was a rate the government could not tolerate, and during that famous war unemployment was increased to 6 per cent. The Prime Minister and the country ought to be reminded of his statement. Then he called his policy "strong medicine", and he said at a press conference:

There are a lot of people in this country who are bargaining that, oh well, the government can't hang tough for too long because the government will only get frightened when it sees unemployment go up to six per cent. But if people think we are going to lose our nerve now, they should think again; we're not.

No wonder the Prime Minister does not like the press, because it sometimes reports what he says. The government did not win that battle against inflation. As a matter of fact, now we not only have high unemployment we also have high inflation. Who were the fall out victims of that war? They were the unemployed, some 700,000 of them. Let us not forget who were the ones really hurt by that high unemployment. Those who were hurt the worst in that war on inflation were those workers under the age of 25. The youngest workers in Canada were hurt by that war on inflation. The unemployment rate among the under 25 age group became the highest among all groups unemployed in Canada, and inflation hit double digit figures. That was the battle the government fought then.

Now the Liberals have decided that once again inflation is their enemy No. 1, and once again we are to be treated with another dose of strong medicine. This time they will not admit that they are starting out deliberately to increase unemployment. But thousands and thousands of Canadians will be out of work, which will perhaps be somewhat of an embarrassment to the government.

This time the government is controlling the wages of Canadian workers in spite of the fact that many of them have not even started to catch up with inflation and corporate profits over the last few years. Fortunately in the United States and in most of the rest of the world there are some indications that inflation has already started to come down. This time, unlike the last time, the Liberals may not be able to double our rate of unemployment through their mismanagement. The government is now proposing wage and price controls, which makes it obvious that the Liberals are willing to steal a policy from anyone who happens to have one.

Mr. Baker (Grenville-Carleton): And they are not very good thieves.

Mr. Rodriguez: No, they are not. This reminds me very much of a story printed in primary readers about the jackdaw and the peacock. The jackdaw was such a dreary looking creature that he wanted to enhance his looks. He saw a peacock strutting around the farm yard, and when feathers fell from the peacock he took those feathers and stuck them into his body and strutted around the barnyard. The jackdaws rejected him because he was obviously not a jackdaw and they could see that, and of course he was not a peacock because he had stolen the feathers. As a result he was lonely and out in the cold.

What have the Liberals done this time? They have picked up a Conservative policy, an incredibly cynical move considering they fought an election and won on opposition to price controls. In that campaign the Prime Minister called the controls "a proven disaster looking for a place to happen".

In his budget speech in May of last year the former finance minister said:

In our fight against inflation, I have rejected two possible approaches . . . the second approach, urged upon us by the official opposition, is to impose a general system of price and wage controls. This would be totally ineffective in overcoming the kind of inflationary problem we have been and still are facing. What we need, still, is not controls, but an increase in supply.

Just this month in an interview with Peter Newman of *Maclean's* magazine the Prime Minister admitted that controls were useless. This is what the Prime Minister said:

Controls themselves, whether it be a full freeze or control of prices and incomes, do not solve the underlying malaise of people generally trying to get more out of the economy than they put into it. If controls were a proper and effective device to change that psychology, we'd say, "Well, it's easy. Let's put on controls and one year down the road we'll take them off, and there'll be no more inflation." But I think every experience I know of—most recently the United States and the British experiences—is to the effect that when you take controls off you begin more or less where you were before.

Obviously the Prime Minister as late as within the last few weeks was admitting that wage and price controls are not the answer to the underlying malaise affecting the economy.

The entire anti-inflation program presented to us is in four parts, and it is worth while examining those parts.

The white paper lists the first part as being:

—fiscal and monetary policy aimed at increasing total demand and production at a rate consistent with the climbing inflation.

For years the government has tried to treat inflation as a simple problem of demand management. Using high interest rates and other deterrents the government has not only managed to decrease seriously the use of our industrial capacity, but it has almost destroyed the chances for average Canadians to own their own homes. It is doubtful that the government's use of monetary and fiscal controls will be any more effective or sensitive to the needs of the Canadian people than it has ever been.

The second plank in the government's platform is:

Government expenditure policies aimed at limiting the growth of public expenditures and the rate of increase in Public Service employment.

How coincidental it is that just a couple of weeks ago the mandarins in the federal civil service received very handsome increases indeed, and all before midnight of Thanksgiving! How convenient that this policy did not come down until after the Bank of Canada's glass tower was up a few blocks from here, at a cost of $35 million!

Under what rationale or logic did the government spend $250,000 in taxpayers' money for a party for 3,000 honoured guests at Mirabel? The government spent $250,000 for a meal for 3,000 people, most of whom are probably well-heeled enough to afford their own. This is $250,000 of taxpayers' money down the drain for a party. I do not understand how the government can turn to the Canadian people, pointing a finger at them and saying that those people out there have to start tightening their belts, when the place to start tightening the belt is right here. I think

it is phony, false, and hypocritical of it to say in effect, "don't do what I do, do what I say".

I think the people are quite right in saying to the government: "Up your noses. Until you start doing the kind of things you ought to do, giving the example you ought to give as parliamentarians, we will not follow."

It seems to me there are certainly large areas of public expense which could be cut, or even eliminated. The President of the Treasury Board (Mr. Chrétien) asked for suggestions. Since I have been here I have heard the opposition consistently calling for the abolition of Information Canada. That is a splendid example of something that could be cut and would not be missed at all. But there are better examples yet.

● (2020)

I understand the estimated advertising budget for the federal government is over $35 million, by far the highest advertising budget of any marketing organization in the country. It has been suggested that the public relations function of the government may add as much as another $50 million to this bill. What are they trying to sell us for all these millions upon millions of dollars? The latest example we will be paying for is the scandalous wage and control monstrosity entitled Bill C-73, where members of the board who have already been named will be earning in the vicinity of $50,000 to $60,000. If that is the kind of restraint being urged upon the Canadian people then I cannot blame the Canadian people for being cynical about the kind of legislation being brought forward in this bill.

It would indeed be interesting to tally up the full amount the government finally spends on advertising and the p.r. work to sell this wage and price package to a skeptical public which is in no mood to accept the glib solutions the government would like to put before it.

When the government starts swinging its axe to cut expenditures, however, it will not be advertising or Information Canada which feels the blade. Instead it will be such areas as unemployment insurance and medicare, in respect of which the government has already indicated its desire to reduce spending.

It is rather interesting to note that the government will be coming forward in a couple of weeks with Bill C-69 which will change the financing of unemployment insurance, and which will say to the Canadian people that the government is no longer prepared to accept 4 per cent as a normal unemployment rate and will pick up any deficit in the account over that. The government wants to raise that figure to about 6 per cent. So in effect those who are working and those who are employers who employ workers will be picking up whatever deficits there are. In other words, when the government embarks upon programs which create unemployment it is the unemployed who pay, and it is the workers who work and those who are earning who will carry the burden of the mistakes of the government.

Of course it is those who are unemployed who are blamed. They are called lazy, they are called non-productive; and we have the advertisements about those who go to ski in Alberta and collect unemployment insurance. Those are the headlines that are used to beat them over the head. Benefits are reduced to the people who then are out of work. Indeed this must be some kind of very rough justice. The Minister of Finance (Mr. Macdonald) talks about rough justice. Maybe that is what he means by rough justice. It is pretty tough on those who do not have jobs.

The third area where the government tells us it is planning to take action involves structural policies to deal with the special problems of energy, food, and housing, to ensure a more efficient and competitive economy and to improve labour-management relations. Since I have been here the first back-to-work legislation I experienced in this House was in 1973.

In the summer of 1973 we put the railway workers back to work. In the debate on that piece of legislation the Minister of Labour (Mr. Munro) and the other speakers on the government side got up and said that we must have another look at the collective bargaining process. There has been no look taken at it. Nothing ever gets done. When they are into this particular crisis now they whip out these little glib solutions of wage and price controls, which end up being wage controls, and talk in grandiose terms about improved labour-management relations. That is all I ever hear about around here. They will probably set up a committee to study it. Part of this area, we are told, relates to the need for substantial upward adjustment in particular areas of the price structure if adequate new supplies are to be forthcoming.

The second problem relates to the need for more competition and flexibility in the economy. The government is obviously referring to energy when it speaks of the need for prices to rise, in spite of the fact that oil company profits have risen despite the freeze on oil prices in several provinces. But it would at least be very interesting to know to what other particular areas it is referring. And it would also be interesting to know if this need for upward prices refers only to a chance for other industries to increase their profits with the government's blessing.

Discussion of the need for increased competition perhaps best reveals exactly how cynical the government is about this new legislation. It is the large, powerful, and concentrated corporations that have been the cause of much, and certainly reaped the benefit of most, of the inflation. This point was recognized by the former minister of consumer and corporate affairs, the hon. member for Windsor West (Mr. Gray), when he spoke to a Rotary club recently in Windsor. In his talk he quoted an American economist, Gardner C. Means, who had found that in the 12 months of economic decline starting at December, 1973, companies with a high degree of market power increased their wholesale prices by 27 per cent, while wholesale prices in firms in competitive industries rose by less than 5 per cent.

The former minister went on further to say that while the economist's research presumably deals with companies located in the United States, the similar organization of our economy made it likely that such research in Canada would show similar results. He also suggested that while the ability of companies to impose administered prices on the market place was not the only cause of inflation, it is an area of concern that should not be overlooked. But overlooked this problem has been for the last ten years since the government referred the whole question of competition to the Economic Council of Canada.

The Economic Council had some harsh things to say about our free enterprise system. In its report on competition policy in 1969 the Economic Council of Canada said that in many areas of activity monopolistic tendencies have all but eliminated competitive market responses. The council also pointed out that in 1964 in more than one third of Canadian manufacturing industries as few as eight firms accounted for over 80 per cent of shipments in the industry. Oligopoly, or a market characterized by a few sellers rather than one or many, is probably the most common form of market structure in the Canadian economy, the report said. And they went on to say that many studies have proven that there exists, on the average a positive relationship between high levels of concentration and high profit levels.

The Economic Council of Canada pointed all this out, plus the fact that our economy was already more concentrated than the American economy and plus the fact that there tended to be a positive relationship between concentration in an industry and foreign domination of that industry.

The government's reaction to all this, to pressures even the former minister of consumer and corporate affairs seems to feel are inflationary, was to do nothing. Instead it decided the Canadian people should bear the full brunt of inflation. Instead it piddled around for nine years while concentrated industries made fatter and fatter profits and then, finally this year, it presented a piece of legislation which had been nine years in the making, the Competition Bill, called C-2, which is useless to stop the monopolistic excesses of the large corporations.

It took nine years for that bill to see the House of Commons. As a matter of fact that is the same period of time for the gestation of an elephant and many, myself included, would consider that Bill C-2 is nothing but a white elephant. We are told that Phase II of the competition bill, which will come down some day, will deal with monopolies, takeovers, all sorts of interlocking directorships and so on. I understand that before this can happen the minister intends to present the bill again for discussion. I thought the friends of the government who had already got to go over the bill had said enough, but apparently they feel they have not. So, while nothing is being done about oligopolies and their contribution to inflation, we have Phase IV of the government's program, wage controls. I say wage controls because it is obvious that in many cases prices are already out of control. The controls are described in this way:

A prices and incomes policy which establishes guidelines for responsible social behaviour in determining prices and incomes of groups, together with machinery for administering these guidelines and ensure compliance where necessary.

Almost everything about this bill is unacceptable to myself, my party and, I am sure, to the majority of the Canadian people. Wage controls, for example, are childishly simple to use, and it is obvious the government is itching to use them. But ministers have designed a bill whereby they will not even find it necessary to dirty their hands by dealing directly with the unions. Instead they can simply order an employer not to go outside of the guidelines by paying wages that might have been negotiated. And we are sure it will break the heart of many of those 1,500 so called large employers to say, "Sorry boys, but we cannot give you that wage increase because the government says we cannot give you any more than 10 per cent, and if we do we are liable to a fine, imprisonment, or both".

[Mr. Rodriguez.]

● (2030)

If the large employers will find it easy to tell their unions that, then how much easier will it be for the smaller, non-unionized firms to tell their employees they cannot give them an increase. I am sure the Prime Minister will get all the co-operation he wants from employers when it comes to voluntary restraints. They will refuse wage hikes under the smoke screen of patriotism. I am sure we will hear the word "patriotism" bandied about. It is patriotic not to give more than 10 per cent. That reminds me of the saying that patriotism is the last refuge of the scoundrel.

The government has repeatedly said that these controls are designed to help the little guy. The Minister of Finance said on television that if these controls are not followed "it is the people at the bottom of the scale who will be worse off". Yet what this legislation does is to maintain and increase the inequities that are already built into our society.

Lower wages in different parts of the country will be frozen at their present differentials. Perhaps most important, the people at the bottom end of the scale will be frozen at a position that has grown relatively worse over the last five years. In July of 1970, when the federal minimum wage was set at $1.65, it represented 55 per cent of the hourly wage in the manufacturing industry. By July, 1975, the federal minimum wage was raised to $2.60, but a level that then represented only 51 per cent of hourly manufacturing earnings.

In the five year period from July, 1970, to July, 1975, the federal minimum wage increased by 58 per cent, while during the same period, hourly earnings in manufacturing increased by 70 per cent. Now the federal government is suggesting a 10 per cent increase for these people. Even if they get this increase—and there is no reason to suspect that all of them will—they would only catch up to the position they enjoyed in 1970 in relation to the manufacturing industry.

In unionized companies labour will now face a double control. It seems to me that what has happened here is the introduction of another level in the collective bargaining process. When you have a group of workers who are organized, they negotiate with their employer under the collective bargaining laws of this country, and they either come to an agreement or they do not. They might order a strike, and then matters sort themselves out through the collective bargaining process. What we have done now is to introduce another level of bargaining for those who are in the collective situation.

Right now companies are saying to those who represent the unions in the bargaining process, "Go to the anti-inflation tribunal and get an approval beyond the 10 per cent". The union representatives go to the tribunal, which says to them, "We cannot deal with the hypothetical case. Make a mutual representation from the employer and the employees, and we will consider it". It seems to me that that is not the way the manufacturers are treated.

It is interesting to note that on page 18 of the white paper there is a discrepancy between the way workers are treated and the way manufacturers are treated. The process is outlined thus:

> If, however, a firm can demonstrate to the Anti-Inflation Board that it would be impractical or harmful to the national interest for it to price in the domestic market differently than the international market, the firm will not be regarded as having failed to follow the guidelines if it prices all its products at international prices, but would be subject to the special levy on all its profits. Once firms have received permission to be treated in a particular way, they will continue to be treated that way for the whole of the program.

So here we are going to have manufacturers and producers going to the Anti-Inflation Board and asking, "Will you approve this price increase, this pricing system?". In effect it has been the practice in Canada that when such tribunals give such advice to corporations which come before them they advise them in the letter of the law rather than the spirit of the law.

However, the union cannot go to the Anti-Inflation Board and ask to be advised whether its demand, which is in line with that of the international union in the United States, such as would be the case with the UAW, will be all right in the domestic market when dealing with the company. Surely the Anti-Inflation Board will say it cannot deal with a hypothetical situation in a unilateral way, and will advise them to make a representation with the company so that both of them come together before the board for approval. There is a discrepancy here, and an injustice in the way in which workers are treated as opposed to the treatment of those who manufacture products for sale.

The companies will have a great deal else to be happy about. Even the Minister of Finance admitted that it was arguable that "there is no way of preventing an army of company accountants circumventing the guidelines by padding costs and manipulating profits". His argument, however, was that the NDP had wanted a board which would also watch and possibly roll back some of the oligopoly prices. It is the government's legislation which is under debate, not this party's. There is a large difference between a board proposed by the NDP and the one proposed under this legislation. The difference is one of attitude at least, and in a will to use the legislation it handles.

It is impossible to believe that the odd couple now running the Anti-Inflation Board are serious about controlling company profits.

Who is this chap, Jean-Luc Pepin? He is the scion of some of the greatest corporations in Canada, namely, the Power Corporation, Canada Celanese, Canadian Steamship, Sidbec Corporation, etc. It is he who will decide what is an acceptable wage for the working class people, this man who is on the board of directors of several large corporations, and earns a salary of $50,000 to $60,000 a year. He will say to the workers making $4.10 a hour and who want $1.50 more, "You are too greedy, tighten your belt." I tell you, it is quite a pair you have there. This man's experiences are such that he represents the privileged class in this country, and this is the kind of discrepancy at which the working people will be looking. They will be saying, "Who is this fellow making $60,000 a year and telling us that $5 an hour is greedy?" All I can say is that this government has a lot of gall.

And who is Beryl Plumptre? She has made it clear where her sympathies lie. One of the members of my party made the point the other day that when it came to reasons for food cost increases Plumptre could see only two things—producers and marketing boards. He was right as far as he went, but he forgot that she can also see labour and blame them, as she did recently during a grocery clerks' strike in British Columbia.

When she looked at corporate profits, in spite of the fact that some industries had increased their profits dramatically, she concluded that because other companies had increased their profits dramatically also, this was all right.

When it came to marketing boards, she was even worse. When chicken producers increased their return by 3 cents a pound, she howled, in spite of the fact that their percentage of the retail price had declined and despite the fact that the price of chicken had risen by 20 cents. Where did the other 17 cents go, and why was she not concerned about that?

Even the Minister of Agriculture (Mr. Whelan) noticed that she was visibly upset by every gain to producers through marketing boards, yet when pork, which is not controlled, increased in price by 100 per cent, she made no comment; suddenly she was silent.

The Minister of Finance has told us repeatedly that profits can be controlled anyway because "for a long time we've had an effective income tax system to catch profits". If that is the case, then for a long time my party has been arguing that we need a new catcher. Every week papers such as the *Financial Post* publish a new loophole in which profits can be hidden, not to mention the obvious loophole which the government has deliberately created. This bill says nothing about capital gains, and surely this is one way in which companies, by retaining earnings and driving up stock values, will be able to return money to their investors.

Company profits will rise under this bill. First, as has already been pointed out, because profit levels are based on the previous five years, profits will rise over the next two years as the five year base moves. Second, productivity is bound to rise in this country as a natural recovery occurs in the world economy. Government policies of the last few years have ensured that the capacity of the manufacturing industry was underutilized. So, if natural improvements in the world economy take place and the present excess capacity begins to be used, it will be impossible for the corporations not to make large gains in productivity, and with them large gains in profit. These controls admit quite openly that large gains in productivity "resulting from the efforts of the firm, or of favourable cost developments which could not reasonably have been anticipated" will be allowed to the firm. Working people, on the other hand, have been strictly limited to a 2 per cent share in the increased productivity. I presume that this is more rough justice.

● (2040)

I noted before that when it comes to concentrated industries and their inflationary profits, the Economic Council of Canada has made clear that many of these firms were foreign dominated. They will have no difficulty dreaming up new expenses for their Canadian subsidiaries to pass

through the economy and home to head office in New York. Even Northern Electric is setting up its international office in the United States, so Canadian companies too will be able to avoid these provisions.

Even some of Canada's business leaders, while giving cautious support to the bill, have had some reservations. Both the president of the Bank of Montreal and representatives of the Canadian Manufacturers' Association have indicated that while the bill might do some good, it would have been a great deal more useful 18 months ago. My party does not agree with this, of course, but it is an interesting comment on the ability of the government to make its timing and programs useless to everyone.

Soon we will be stuck with a bill which gives unprecedented power to government bureaucrats and hacks of various kinds, without any review by parliament. The government wants the right to change the guidelines at will without having to suffer the indignity of going before parliament and justifying its actions.

It is at least reasonable that the government will not want to discuss this bill again, for it can have only one of two effects—either its restraints will be successful in stopping any economic recovery, thereby throwing thousands more Canadians out of work, or the economy will recover in spite of it. The Minister of Finance has admitted that much of our inflation is imported, so just perhaps, Madam Speaker, we can import our recovery in spite of this bill.

I read recently that there has been a downturn in inflation throughout the world. The United States has just enjoyed the largest percentage gain in its GNP in 20 years. Inflation in the world, particularly in our closest trading partner, is in a downward spiral, and I tend to be very cynical about this kind of measure. The wage and price controls are to come off in three years, and it is also very significant that in three years there will be a federal election. I wonder if because inflation is on a downward spiral the government throws up this sham, Bill C-73; then of course in spite of the bill inflation will come down, and the government in 1978 will lift its wage and price controls and claim that its policy worked, at the same time claiming good government as a reason for re-election. That is the kind of scenario I see, and it is a cynical one on the part of the government.

It seems to me that common sense would make government members see the inequities in this wage control bill. Surely they can see that those who are unorganized and poor will not even receive the benefit of the 10 per cent on an average wages of $6,000 per year, or $600. They will not necessarily receive that. The fact is that they will probably receive much less. Surely hon. members opposite can see the inadequacies and the injustice of this bill.

The minister on television the other night said that this bill would go through second reading tomorrow or in a couple of days. I do not know what he was reading, but because of the need to amend this bill in a very effective way and to give it some kind of justice—it ought to be comprehensive and just, which it is not—it seems to me that hon. members should not permit this bill to become law until many of the inequities are corrected, so that we can pass legislation which is fair to all, whether they be high income earners or poor people in Canada.

[Mr. Rodriguez.]

Mr. Heward Grafftey (Brome-Missisquoi): Madam Speaker—

Some hon. Members: Hear, hear!

Some hon. Members: Leader!

Mr. Grafftey: As we address ourselves to this bill, we cannot debate it in particular without a brief economic review of Canada over the past four years, and of what has brought about the necessity of imposing this kind of harsh legislation.

After seven and a half years of Trudeau socialism, and that is what we must call it—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mrs. Morin): Order, please. All hon. members who wish to participate will be allowed to do so later. The hon. member for Brome-Missisquoi (Mr. Grafftey) now has the floor.

Mr. Grafftey: As I go across the country and people ask me what I mean by Trudeau socialism, I say that it is a very easy story to tell.

An hon. Member: Speak on the bill.

Mr. Grafftey: I can understand the frustration of the hon. member, but she will just have to sit there and bear it.

Between 1958 and 1962 when there were mostly Liberals and Conservatives in this House I remember going back to my province, the province of Quebec, and very often around the island of Montreal there would be various forums in which people wanted the Liberal Party, the Progressive Conservative Party and the New Democratic Party to be represented. It was easy to find members from the Liberal side and the Progressive Conservative side, but in a *noblesse oblige* fashion the various institutions invariably invited the NDP to send a representative to these many meetings. The same person always turned up, and he gave the extreme socialist line—the present Prime Minister (Mr. Trudeau), who at that time was a part time professor at the university of Montreal—

Some hon. Members: Oh, oh!

Mr. Grafftey: This may be difficult to listen to, but sit back and listen.

Some hon. Members: Hear, hear!

Mr. Grafftey: I know that hon. members opposite do not like this story, but it is going to be told, and told again and again.

In the 1963 elections the Prime Minister voted for, worked for, and contributed to the New Democratic Party—caught the political bug, if you will—but he knew one thing we do not do in Quebec; that we do not send socialists to Ottawa. Instead of working with such honourable Canadians as Charles Taylor to build up the NDP, the Prime Minister took on the Liberal Party and, whether we like it or not, what we have in Canada today is Trudeau socialism.

Some hon. Members: Shame!

Mr. Grafftey: It is because of Trudeau socialism, purely and simply, that we have this kind of legislation before us today. After seven and a half years of Trudeau socialism, what do we have? We have something which is almost impossible to attain in any country in the modern western world—record inflation, record unemployment, record regional disparities, and what is even worse, a record balance of payments deficit.

Spokesmen for the government keep prattling the same propaganda that, compared to the other countries in the western world, we are not doing too badly. I say that we are doing very badly compared to most countries in the western world. If you consider our potential, consider what we could do if the government would direct the economy of Canada decently, we are doing very badly indeed.

● (2050)

I hear government spokesmen justifying the government's abominable economic record. When I hear such spokesmen comparing our country with other countries of the western world, they remind me of the boy who has not done one bit of studying in school and who, when facing his exams, says, "I don't care if I flunk, because everybody else is flunking with me." Is that not a grand attitude? Hearing comparisons between our country and other countries of the western world is no solace for those who have suffered because of the government's mismanagement of the economy.

Compare our present situation with that of 15 years ago. Who, today, can purchase his own home in this country?

Mr. Hees: Hardly anyone.

Mr. Grafftey: How much encouragement is given for the small businessman to buy his own business?

Mr. Hees: None at all.

Mr. Grafftey: How much encouragement are you giving the farmer either to stay on or to buy his own farm?

Mr. Hees: None at all.

Mr. Grafftey: And, compared with other countries of the western world, how much legislation is there on our statute books to encourage Canadian investment in Canadian enterprise?

Mr. Hees: Precious little.

Mr. Grafftey: Madam Speaker, that is the background we must consider when debating the present negative legislation. After seven and a half years of Trudeau socialism—

Some hon. Members: Oh, oh!

Mr. Grafftey: —we have lost much of our economic freedom.

An hon. Member: Say that outside the House.

Mr. Grafftey: We said it in Hochelaga.

Some hon. Members: Hear, hear!

Mr. Grafftey: And we shall keep on saying it in the next election, when we shall win many seats in Quebec.

After seven and a half years of Trudeau socialism we, in this country, have lost much of our economic freedom. If you do not think so just cross this country and ask individual Canadians. I think—and on this I agree with the NDP—that there are many aspects of freedom other than economic freedom; yet I firmly believe that when we lose much of our economic freedom, we lose much of our political freedom. Future historians will say that never in the history of Canada was this country directed by such a bunch of economic illiterates as we have today.

Some hon. Members: Hear, hear!

Mr. Grafftey: What else has happened to the Canadian economy since it came under the dictates of Trudeau socialism seven and a half years ago? When the Prime Minister took over the direction of this government seven and half short years ago—

Some hon. Members: Hear, hear!

Mr. Grafftey: —only 30 per cent of our Gross National Product was taken up by the public sector. Now the share taken by the public sector has risen from 30 per cent to practically 40 per cent. Yet Sweden, a country calling itself the jewel of socialism in the western world, directs only 32 per cent of its gross national product to its public sector, proportionately a full 8 percentage points less than Canada directs to the public sector.

Perhaps one should not make these kinds of comparisons with other countries. Nonetheless, whatever you may think about the Swedish system, you must concede that Sweden has introduced many dynamic programs in the fields of environment, housing, and medicare. Those programs are in place in Sweden only because they are well run and because on the statute books of that country, but not of this country, there are many positive laws which provide tax incentives and encourage the private sector to generate taxes which pay for these programs. And what has happened in this country? The government is always compromising with the NDP—

Some hon. Members: Oh, oh!

An hon. Member: It's the truth, and it hurts.

Mr. Grafftey: I know it hurts, and this is only the beginning. If you think it hurts now wait until we get really tough.

Mr. Guay (St. Boniface): You are losing votes right now.

Mr. Grafftey: What sort of programs have governments introduced in this country since the end of the second world war? This government, for short-term political gain, has been compromising with the NDP. Why, many of our programs are half socialist, half free enterprise. They bilk the taxpayer and they are just not working.

Mr. Nystrom: You sound like a frustrated Social Crediter.

Mr. Grafftey: Madam Speaker, I am not sure if the Prime Minister wanted to fire the previous minister of

finance, or whether the minister quit. Perhaps it was a combination of both. Perhaps, after introducing four of the worst budgets ever presented in the history of this House, the former minister tried to blame the Prime Minister, or perhaps the Prime Minister blamed the minister. I can imagine the scenario. The minister was backed into a corner. He had listened to the conventional wisdom advice proffered by the Bank of Canada and his officials, advice which was based on Keynesian economics. The point is that under the Keynesian concept, the deficit or surplus, as the case may be, was meant to be budgeted for when only 30 per cent, or at most 33 per cent, of the Gross National Product is absolved by the public sector. At present 40 per cent goes to the public sector. Hence there is no leeway in which for the government or the Minister of Finance (Mr. Macdonald) to manoeuvre. That is why we are in our present mess, a mess which the present Minister of Finance will not be able to correct without the leadership and support of the Prime Minister.

The ball game for Canada and Canadians is almost over, largely because the government has budgeted and dealt recklessly with the short-term windfalls accruing to us from our non-renewable natural resources.

As I consider the background to our plight and as I consider the mess our country is in because of the government's doctrinaire approach, I am proud to call myself a Progressive Conservative.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Grafftey: In essence this means that we support humane, decent, and civilized social legislation but, compared to the Trudeau socialistic policies of today, conservative economic fiscal and monetary policies.

This country has suffered from the economic lunacy of the government. I am sure that ministers of the Crown would love to present a list of programs we should embark on in the field of social welfare. But, because of the negative economic policies of the government, we have not generated in this country the kind of growth in the private sector which will support dynamic programs. I say most emphatically that the truth of my remarks will be borne out by any member who wishes to cross this country, who puts his ear to the ground and listens to the grassroots. Never before in my 14 years as a member of this House have I heard the Canadian people calling more definitely and clearly for an alternative to this government, for a constructive conservative alternative to the Trudeau socialism we are getting today.

Some hon. Members: Hear, hear!

● (2100)

Mr. Grafftey: Speaking in more detail in relation to the specific legislation we are discussing, in concert with my leader—

An hon. Member: Which one?

Some hon. Members: Hear, hear!

[Mr. Grafftey.]

Mr. Grafftey: We have a leader of the Progressive Conservative Party who is universally respected.

Some hon. Members: Hear, hear!

Mr. Grafftey: I will not split hairs and get into the details as to whether the legislation proposed by the government is exactly like the legislation proposed by us in the last election. I will not get into the specific details as to whether our approach was different than theirs. With the government, we recognize that inflation is a problem to be licked, and with the government, putting Canada before party, we hope it will be licked, not only in Canada, but in the whole western world. However, I would like to serve notice on the government that we firmly believe this legislation cannot and should not pass through this House of Commons unless there is a little bit of give and take on third reading vis-à-vis the constructive, not partisan, amendments we will be putting forward for the good of Canada.

Some hon. Members: Hear, hear!

Mr. Grafftey: That is not to say that I am not a little suspicious. I know the government with all its good intentions. The first thing it will make sure happens is that there will be a sprawling bureaucracy. It is more than passing strange that the greatest detailed attention they gave to putting this program in effect, even before they explained to the cabinet what the program was all about, was slowly but surely to get an army of bureaucrats into the 28 regions. I am a little suspicious about the government's good intentions in terms of not wanting, demanding, or having an army of bureaucrats to implement this kind of legislation.

Speakers from this side of the House who preceded me alluded to the fact that the government must lead by example. Although we get pretty partisan on the floor of this House, members of the opposition also suffer when governments lose their credibility, as this government is losing its credibility.

Some hon. Members: Hear, hear!

Mr. Grafftey: Having presided over a budget increase of $10 billion to $36 billion in seven and a half years, all of a sudden the Prime Minister on the eve of a by-election by some unknown stroke, and I would like to do a little investigating about that, got on prime time television. Having spent and spent, and spent some more, he went before the Canadian people and said, "Do as I say, not as I do."

Some hon. Members: Hear, hear!

Mr. Grafftey: Having spent this country into the worst economic mess it has been in since the last depression, he had the nerve to go on public television and say, "Forget about it all. We did not do it. You, Mr. Laborer, and you, Mr. Management, buckle your belts." It reminded me of a drunk preaching temperance.

Some hon. Members: Hear, hear!

Mr. Grafftey: Let us make no mistake about it. Economists rarely agree on anything, but one thing on which

they do agree is that the number one reason for domestic inflation in Canada today has been the reckless regard of this government in terms of spending. When you compare it with any country in the western world, we come out the worst.

Some hon. Members: Hear, hear!

Mr. Grafftey: I will underline, for the second and the third time, that each and every member of this House, putting country before party, hopes that this legislation—amended, mind you—will do something to better the situation for all Canadians in terms of the fight against inflation. However, I want to underline again and again that this program cannot work in a vacuum.

I am not going to get into the ballgame of quoting percentages. I know that a fixed rate of increasing the money supply by the Bank of Canada in relation to the monetary policy could, as our leader has said time and time again, create unnecessary tight money situations in many parts of this country. However, surely the time has come with an anti-inflation program of this nature to co-ordinate it with deep and profound monetary and fiscal reform.

I hope the government and its minions have learned their lesson, that you just cannot let the printing presses roll *ad infinitum*. There must be some co-ordinated, constructive and organized policy vis-à-vis monetary reform in the printing of money, fiscal reform, and this present program. Suffice it to say that this program will not work in a vacuum without meaningful and profound fiscal and monetary reform, and it must be indicated to Canadians, not tomorrow, but right away.

Some hon. Members: Hear, hear!

Mr. Grafftey: Stop treating the Canadian people like a bunch of imbeciles. I hope not too many people read the white paper given to members on this side of the House, and which it is intended will bring restraint and leadership to restore the government's lost credibility. I read it time and again. It was plagued with loopholes and euphemisms, saying we don't really mean it. Leadership and restoring credibility are the only way this program can work.

If we do not have fiscal reform sooner than later, do not for one minute expect this ad hoc program to work in a vacuum, because it won't. Within six weeks time from this present moment, the Minister of Finance should bring down a new budget. I know that his bureaucrats will tell him it cannot be done. Having served a very great minister of finance as his parliamentary secretary over ten years ago, I know it can be done. Where there's a will, there's a way.

The government must bring down a budget within six weeks, not white papers full of loopholes but a budget indicating its real and meaningful intentions. That budget should indicate at least a $1½ billion tax cut across the board coupled with a $1½ billion cut in current government expenditures. I am not going to fall into the old question and answer game of what specific programs should be cut.

An hon. Member: Information Canada.

Mr. Grafftey: Information Canada, right out the window, $15 million. I know the old game. It might have been relevant ten years ago. The member from the New Democratic Party who spoke just a few minutes ago, as well as the other economic illiterates, should pay some attention to better management of programs. I can suggest better management of the UIC without changing one iota of the substance of the law. In other words, there should be better co-ordination between UIC offices, in Sherbrooke and everywhere else, and Manpower offices. Better administration of this fund alone would save the taxpayer about $1 billion a year. There should be better management of medicare. This would save money. Therefore, don't ask me what programs should be cut.

● (2110)

If they only thought this was important, then along with the $1.5 billion tax cut which should come with a new budget within six weeks, we could secure a saving of at least $1.5 billion in current expenditure, not by eliminating programs but by increasing efficiency, and the gain in credibility would be enormous. The only way in which the government could demonstrate to the Canadian people that it was really serious about a program of restraint would be to adopt such a program as I have described. Do not expect to build up in the private sector the good will which will be needed in order to make this program effective in the absence of a positive commitment from government itself.

I should like the government to indicate that the growth in fiscal expenditures for the next budget year is to be frozen at 8 per cent and that there will be an immediate freeze in the expansion of the bureaucracy—this includes the army of minions to be set up across the country to enforce this legislation.

What is even more important, this new budget must be one designed primarily to get the economy moving again. The government must stop bad-mouthing the private sector. All the businessmen I have talked to—businessmen who are every bit as good Canadians as we are, working hand in hand with labour and making this country go—say that when they come to Ottawa they have a feeling that the Prime Minister and his cabinet think they are a bunch of criminals.

Some hon. Members: Oh!

Some hon. Members: Hear, hear!

Mr. Grafftey: I have spoken to businessmen from one end of the country to the other, some of them well into their sixties. And they tell me that never in all their working years have they come to Ottawa and met with such a lousy and unsympathetic hearing from a government, which one day is anti-labour and another day is anti-business, depending on which minister is speaking.

An hon. Member: And what are you?

Mr. Grafftey: I am in favour of government, labour, and business working together in co-operation.

Some hon. Members: Hear, hear!

Mr. Grafftey: Apart from the freezing of the bureaucracy, the freezing of expenditures, and the cuts in taxation which should be a part of this budget to be brought down in six weeks, the package must inaugurate a whole area of incentives, tax and otherwise, to get the economy moving again. This means more Canadians being able to own their own homes, or own small businesses; it means more Canadians being able to buy farms or stay on their farms.

Not least important, the new budget must make room for certain provisions to encourage Canadians to invest in Canadian enterprises, be it in equities or in any other way. As a Progressive Conservative I believe that democracy is well served when an individual citizen is encouraged to have an ownership stake in his country. Under doctrinaire Trudeau socialism, conventional wisdom is that the government should own and control everything. That is one of the reasons why we are in the mess in which we find ourselves today and are obliged to resort to this kind of negative legislation.

I have tried to articulate in general outline a constructive conservative economic philosophy as opposed to the Trudeau socialism we are getting. But in the social field this budget should have many positive things to say about housing. For instance, it should provide for the complete elimination of the sales tax on building materials and for tax exemptions, if you will, in respect of mortgage interest payments and local property tax payments. And, I would add, in co-operation with the private sector, especially in large metropolitan areas, there should be provision for setting up land banks.

In conclusion, Madam Speaker, I would say we hope this legislation, be it ever so late, will do something to alleviate a situation which is largely of the government's own making.

An hon. Member: Rubbish!

Mr. Grafftey: An hon. member says "rubbish". I am not sure he can spell it, but he says it. We shall be offering amendments and we hope for the good of Canada that members opposite, especially those on the treasury benches, will view those amendments in a bipartisan spirit, because we would not want it to fail two years from now and then have the dubious honour of saying "We told you so." I say once again that the program cannot work in a vacuum in the absence of a clear indication to the Canadian people that the government is serious about co-ordinating a fiscal and monetary policy to go along with it. If we all work together in a spirit of harmony across this House I am sure much can be done to confront the grave economic problems which are facing the Canadian people.

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it seems to me that on entering this debate I should make some comment about certain of the things which have been said by other participants in it. The comments of the hon. member who has just resumed his seat were somewhat confusing to me. If I understood him rightly he said we were interfering with the economy too much. Then he went on to say we should be directing the economy to a greater extent than we are. He talked about private enterprise, and I could not help thinking of that great private enterprise province called Alberta, one which has more socialist ownership than any other region in Canada and which is daily extending this ownership under the present government out there.

One or two members made comments about cabinet ministers using the executive jet fleet we have. I think I should put it on record just how many aircraft we have in this great executive jet fleet. We have three Jet Stars, of which two were bought at the time the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister of this country in 1962; I am told they were kept in the hangars all through that year for some unknown reason—I do not know whether it was to curtail inflation or whether they were scared to use them. The third was bought second hand by the right hon. gentleman's successor, the late Mr. Pearson, when he was prime minister. That is the jet executive fleet that we have. All of these aircraft are older than 12 years.

● (2120)

Then I come to the other great executive fleet. The hon. member for Calgary South (Mr. Bawden) knows some of these planes very well. He traded in his old King Aire on a new plane, and it is available for cabinet ministers to fly in when it is not broken down. Then there are two other aircraft. They are Viscounts; one is 23 years of age and the other 24. They are kept, I am told, in top flying shape at all times but you can use them only for short trips, and so on, within the immediate area of Ottawa. Then there are the small Falcons owned by the military and which military pilots use to get in their flying hours. So they might as well fly us, as fly around just to get in their hours.

In protection of all the people who use these planes let me say this. The hon. member for Medicine Hat (Mr. Hargrave) was at the meeting the other night when I mentioned the fact that the wind nearly blew us off the runway when we came in to land at the airport at Medicine Hat. The expert pilot immediately gunned the motor and we came round again with a little more force and landed. No one on the plane knew that he was having any difficulty at all. I do not believe he was because he had the aircraft under full control. The aircraft blew out a tire, but we did not even know about this until we pulled up in front of the little terminal at Medicine Hat. The pilots who fly both the military planes and the old Jet Stars make sure they are in as good a shape as possible, and they are pretty darned careful with them.

I used a little Falcon when I went on official government business to the Balkan countries just recently. Do you know what the common comment was when we pulled up in front of the terminal, Mr. Speaker? It was: "How come you come from such a big country and you have such a little airplane?" I said that we had a problem in Canada called inflation and that we would not be buying any new airplanes until we were in a position to say that we had cured inflation. Even these planes have to be constantly under surveillance to make sure they are in proper flying condition. The military crews do as excellent a job as the DOT crews as far as I am concerned, and I feel perfectly safe in their hands. Actually I feel safer there in these old planes that we use, which people call the jet fleet, than I do in a car on the highways.

When the former minister of finance was holding one of his anti-inflation meetings here I happened to be at the airport that day—I think I was flying Air Canada on that occasion—and I could not help but notice that each of five chief executives from the Toronto area arrived in a big jet. There were Gulfstream II's all lined up and so on. One fellow I used to know well from a mining company arrived in a big Gulfstream II, and he is one of the people the hon. member for Brome-Missisquoi (Mr. Grafftey) talked about. There are four of or five of them in the hangar which never seem to be used. I considered asking them to give us a ride now and then when ours had broken down. I remember one time when one of our old Viscounts broke down in Toronto and all of these planes were idle, and I know why the hon. Member for Calgary South traded in his old King Aire—it was not very dependable. I just wanted to put the record straight on the jet fleet that we use.

I am not ashamed to use this fleet at any time to take government to the people of this country. We could never, in this big country of ours, do this by commercial airline. We could never have the meetings we have, with all our staff and so on, in a commercial airliner. You could never get sufficient privacy for that kind of meeting. Anyone who says that a cabinet minister can use a commercial aircraft the same as anyone else just does not know the facts. The hon. member for Prince Edward-Hastings (Mr. Hees), or any other member, will tell you the same thing, Mr. Speaker.

I think we should be realistic when we listen to speeches about leadership, inflation, and government spending. Everyone asks for leadership. Why? Because the state of the economy is the most topical subject in Canada today. Everybody is talking about it. I ask hon. members to read the speeches in *Hansard*; they are all directed to what the federal government is doing about inflation.

We have taken some very bold steps in our fight to break inflation and the inflation syndrome. We had reached the point where inflation was feeding itself. People had come to expect inflation and were making excessive wage demands and marking up prices in the expectation that it would continue, and continue to get worse. We must bring inflation to its knees. We must change the attitude that we can take more out of the system than we put into it. If we do not change that attitude, inflation is bound to continue.

Inflation has hit the agricultural sector of our economy especially hard. Every time oil prices go up, farmers feel the pinch through increased operating costs for trucks, cars, tractors, machinery, fertilizers, feed, protein, labour and other inputs. Farmers have felt oil price rises as hard as, if not harder than, anyone in society.

Farmers have also been hit hard by wage inflation. Many farmers cannot hire farm labour because they cannot compete with the wage rates offered by industry. Land costs have gone out of sight in many parts of the country because of inflation. In many parts of Canada, land costs bear no relationship to productive agricultural value. It is a simple case of too much money being offered by people who want land—not necessarily to produce food, but as a speculation and a hedge against inflation. Canada must stop inflation in its tracks. To do this, all of us must stop asking for more from the economy than we are putting in. If people want to receive more, they should produce more.

I repeat that farmers have been especially hard hit by inflation. Farmers in all parts of Canada have been caught in the squeeze. The whole problem with inflation and farmers' costs can be illustrated by an experience one of my neighbours had last summer. Near a town called Leamington a farmer had a 14-acre field of yellow beans this summer, and the crop was a good one. That was the root of his problems. For one thing, he could not get sufficient pickers. He had to pay the minimum wage, and he could not pay more or he would have been selling his beans at a loss. The bottom had dropped out of the market for his crop; it was down to 13 cents a pound.

Although the bottom dropped out of the price this farmer could get for his beans, it did not fall out of the labour market. Nor did the bottom fall out of the cost of producing these beans, the cost of machinery, gas, fertilizer or seed. None of these commodities went down in price.

Inflation is deadly to the farm community. That is why I am sure this anti-inflation program will be in the best interests of all, the farmers included. It will also benefit consumers. This government does not want the value of the dollar to drop, and this is the core of the program. We want Canadians to get value for their dollar. However, to get value for their dollar they will have to give value for their dollar. That boils down to productivity.

No farmer is going to be afraid of any program based on productivity. After all, in the last ten years farmers more than doubled their productivity performance. Non-farm sectors only increased their productivity by an average of 40 per cent, and that includes lawyers.

Some hon. members have been critical of the program. They ask, how can farmers and fishermen be exempt from the guidelines when the operations of marketing boards must obey the guidelines? I have heard people say that that is inconsistent. I have heard others say that the anti-inflation board is out to get marketing boards. Neither is true. There is a simple explanation for having marketing boards under the guidelines and not the farmers. Most farmers and fishermen in this country are unorganized, and therefore they have little power to influence the prices they receive. If they do not have a lot of clout in the marketplace, then they cannot command an inflated price. So there is really no need for controls.

Some marketing boards do have more clout in the market place, and that is why they live by the guidelines. Now I wish to deal with the important difference—the difference between unions, professional groups and so on, and the marketing boards.

● (2130)

Marketing boards, even with this clout, cannot gouge. They cannot inflate prices beyond a fair level. Why is that so? It is so because the National Farm Products Marketing Council is the watchdog over national marketing boards. Who is on this council? There are representatives of labour, representatives of the consumers, representatives of producers, and representatives of business on the present council which demands that prices paid to producers be based on the cost of production and a reasonable

return for their investment. This is scrutinized each and every week, and that is the consumer protection.

I announced this early in July, and I did so to prevent any agency under federal legislation from gouging consumers or raising prices indiscriminately.

What I am saying is that national marketing agencies are already living under the guidelines of this legislation and, in fact, they have been for months. Members of the opposition should be aware that any individual group could have appealed egg prices set by CEMA, or turkey prices set by the turkey marketing agency, the two boards that are under my jurisdiction. However, nobody did. Not one of the headline grabbers and not one of the members of the opposition who so constantly ridiculed those agencies made an appeal.

I think it is time to be honest with the farmers. They deserve to know that this government and this anti-inflation program are not making them the target of abuse. The only abuse comes from the unfounded allegations that stem from press-hungry members of the opposition and other people who have made no real investigation of how a marketing board works.

I heard one of these statements on CBC this morning in relation to a report made by the Food Prices Review Board yesterday. All I can say is that if egg farmers got paid at the same rate as that individual does for his five-minute contribution on CBC, which is about $600 an hour, you could not afford to buy an egg. Eggs at the present time are selling at the same price they were selling in 1951. I would ask anybody in this House, or any economist anywhere, to tell me what in the world you could buy for the same price today that you paid in 1951. The cheapest and best source of protein in all of Canada today is high quality eggs being produced by some of the most efficient producers of any commodity in this whole country.

Let us go one step further. Any new commodity group wishing to set up a national agency will be forced to justify its prices in the same way. It cannot set up a new agency unless it holds public hearings, and anyone can appear before that forum and state his feelings. The board then considers them and advises the Minister of Agriculture, who in turn advises the government whether there should be a new marketing board.

Strangely enough, producers across Canada are eager to justify the prices of their products and to justify them publicly through marketing boards. I remind you as well that the formula used to set prices for the national egg and turkey agencies was developed by independent experts, the best that could be found in Canada. There is nothing suspicious or inflationary built into the cost structure that presently exists in respect of these commodities, and that cost structure is made public.

The Prices Review Board's biased report on broilers refers to recent years after the provincial marketing boards saved the chicken farmers from oblivion. Why did they not go back to the 1960's when farmers borrowed heavily and invested in buildings and equipment to start in broiler production and were wiped out when the bottom dropped out of that market? You can find broiler houses all over Ontario and other parts of Canada that are as empty as can be because that happened in the 1960's, and these producers have never been able to recoup their losses. Who do members of the opposition think paid for those losses if it was not the producers?

Why did they not investigate and relate the mortgage foreclosures and the desperate measures that broiler farmers had to take until they organized provincial broiler marketing boards in order to stay alive?

There is one statement often repeated by the Prices Review Board that is not founded on fact. Producer marketing boards, it is suggested, restrict production. The fact is that they do not restrict production at all. This is one statement that is completely unfounded on fact. It has been said that they restrict production in order to raise prices. They plan production for plenty of supply, and stabilize prices, and that is the principle of a good marketing board. I have not had time to study the report thoroughly, but the abbreviated report I received from my officials does not point out that the imports of broilers from the United States for this year have experienced a 75 per cent increase in total live and eviscerated birds. There is no border control on them whatsoever. So you can see they do not have a closed market or a monopoly. That is the most farfetched statement I have ever read at any time.

As I have said, these are provincial boards and have not become national marketing boards. They did go through the procedure of holding public hearings but I refused to let them go any further until I was satisfied with the suggestion that their boards should operate under what would really be a national concept. At no time and in no way would I become involved in that.

At no time has there been a shortage of products. In all instances products controlled by marketing boards have more than equalled consumer demand. They have actually produced for a surplus.

The report on broilers from the Prices Review Board states that "it should be possible surely to develop an alternative to supply management." Producers have been seeking methods for 50 years and I challenge the board to come up with another system which they can guarantee to work, instead of dodging their responsibilities.

While they are at it why do they not tell the manufacturers and the processors to ignore supply management? Why do they not tell the bakers to keep producing bread after the market is supplied? Perhaps they should tell the lumber mills not to close, tell the food manufacturers to continue producing, and tell the paper mills and automobile factories not to shut down when supply management warns them to curtail production. Why not have warehouses full of corn flakes? Think how wonderful it would be if newspapers would keep their presses running and sell newspapers at half price to those who cannot afford to pay full price, and here I think of those senior citizens in nursing homes, hospitals, etc. Think of the many places where they could supply these products to the people. This is all food for thought.

We met auto parts manufacturing people last night in this very building. I asked them if they produced parts without an order from some auto manufacturing company. They said: "Of course not. Do you think we are crazy? We do not turn a wheel unless we have an order because we

supply the orders and we do not speculate in respect of production in our plants."

Many people think this way in respect of food. Some economists philosophize that you should build up huge quantities of commodities and then disburse them at whatever price you can get. They call this the law of supply and demand.

One member earlier referred to some comments made by the chairman of the old Food Prices Review Board. He said the board did not mention a thing about pork. I agree that very few words are said about pork, but I can tell you that right today there are farmers signing contracts with Japan to supply pork at a price much below the speculative market price which is set from day to day in Canada. They have a clause in their contracts which states that if the cost accelerates they get more for their pork, and if costs go down they agree to sell to Japan for less.

This is a total program with signed contracts which gives them a decent and reasonable return for their investment and their productivity. They will do this for anyone in Canada if anyone wants them to do so, but many people say no, we should leave it up to the old hurly-burly, tumble type of thing involved to get what you can for the net product. This involves the livelihood of families, and they are not going to jeopardize that livelihood in that way. If they can get decent contracts they will produce.

We have lost 25 per cent of our production in one year because these producers depend on the North American market and they were selling below cost so they went out of production. No stabilization board can guarantee them a decent return unless it is done under a supply management program. They will sign contracts with Japan or any group in Canada that wants to take so many tons or thousands of tons of pork, and they will gladly supply it.

● (2140)

When we talk about food costs in Canada I think we should remind ourselves that it is not what some people make it out to be. Inflation in Canada has raised the cost of some foods to higher levels than in the United States. The main reason for the differences is higher wage settlements in Canada than in the United States. For example, average hourly earnings of workers in United States food processing and distribution areas increased by 10 per cent during 1974. In Canada, on the other hand, they went up by 20 per cent. The average hourly earnings in all retailing in Canada increased around 14 per cent.

Other reasons for higher food prices in Canada can be illustrated through profit margins. In many industries in the United States, such as egg production or milk production, farmers are losing money. In Canada, farmers are recovering their cost of production plus a profit in relation to size and investment. They have locked in their prices in respect of dairy production in Canada and cannot get an increase unless the review board goes over their costs, and so on.

There are plenty of examples of where Canadian food cost increases have lagged behind United States increases. Meat costs went up 8.6 per cent in Canada last year; 17 per cent in the United States. Poultry went up 14 per cent in Canada while United States prices jumped 23.8 per cent. Fish went up a little over 1 per cent in Canada while United States prices jumped 9.4 per cent.

Some people in the news media say that Canada lacks a national food policy. This kind of criticism crops up every so often. We have a food policy. I have spoken to farm leaders about this program and they do not think this program locks them into any system. It allows incentive for production. It allows a reasonable increase for extra costs to which they may be subjected. It is something which I think most of them are living with at the present time and have no objection to this program, which I call a program of reason for reasonable people.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, this bill in respect of Canada's economic position today is one which gives me a heavy heart indeed. I entered Canadian politics because I was concerned about Canada. I ran in the last election because I was deeply concerned about Canada. I fully believe that the economic plight in which we find ourselves today is a direct responsibility of the federal government.

It is interesting to note that in 1974 when the Leader of the Conservative Party (Mr. Stanfield) advocated wage and price controls, or an incomes policy, the minister of finance at that time and the Prime Minister (Mr. Trudeau) advocated up and down across this country that we were in no such dire need of the economic rigidity that would be entailed in such a policy.

The Minister of Agriculture (Mr. Whelan), who just finished a nonsensical kind of speech which is not even worthy of comment in the limited time available to me tonight, during the last election campaign said that we could not have wage and price controls or freezes on foodstuffs without those prices going right through the farm gate. He campaigned throughout Ontario and stated that food prices would be controlled. He said that control would go right through the farm gate to the manure pile. That was a popular statement during the last campaign. But now he stands up and says these things are necessary and that no farm groups and no established market boards, under the legislation or under the marketing council, will have a word of complaint to say about this legislation particularly after he gets done talking to them because he is such a persuasive speaker.

Mr. Knowles (Winnipeg North Centre): It depends on whose manure pile you are talking about.

Mr. Horner: Yes, I guess it depends on whose manure pile you are talking about. It is widely believed and widely accepted that in 1974 I was not exactly fussy about wage and price controls. I was not fussy because I could foresee some of the rigidities that would be built into our society. I could foresee some of the difficulties that might come about through loss of productivity because of it. I could also foresee in 1974 that the inflationary cycle, which started in what might be called the western world, was started because of a rapid devaluation of the United States dollar. Our dollar was devalued at about the same rate right along with it, prior to December of 1973.

We have a little different situation now, and certainly we have quite a different program to answer the different problem today. One might say the first cycle in inflation

was caused by the rapid devaluation of the dollar, and that the second round of inflation was caused by what might be called excessive demand through labour or collective bargaining by unions in our society. Today we see a government come forward with wage and price controls in a very sloppy and haphazard manner.

I think it is important to recognize that in 1974 the Conservative Party advocated a 90-day freeze and then a regular flow from that freeze. Today we see the sloppy application of a freeze, and a tightening over a 3½ year period. If there is rough justice to begin with it will be a lot rougher, and rigidity will be a lot firmer after 3½ years. To me this policy brings about a much deeper concern within me for this country of ours than I ever thought possible some 17 or 18 years ago when I first entered politics.

At page 8192 of *Hansard* for October 14 the minister is reported as having put forward this argument:

> The hard fact is that the Canadian economy today is being subjected to underlying, domestically—generated inflationary forces that are far more severe than those being experienced by most of our major trading partners.

I do not accept that philosophy. The severe conditions which exist here today exist among our major trading partners. I admit that our major trading partners are handling those severe conditions much better than this government. President Ford has advocated a severe cut-back of $28 billion in federal government expenditures in the United States. What do we see in this white paper, this glorified document? What do we see about government cut-backs in spending? Is there any comparable figure? Is there an amount of $2.8 billion, one tenth of the figure for the United States?

An hon. Member: There was an amount of $1 billion on June 3.

Mr. Horner: That was nonsensical. That was a wishful dream. We see the establishment of a board. The one critic who was really making hay with the consumers around here, whom I call the consumer advocate, is Mrs. Plumptre. She has been gobbled up by this new board and relegated to second position. No more will we hear from her, although she parted with dire warnings about the present situation.

At page 8193 of *Hansard* we see the following:

> We are suggesting that some members of this panel be nominated by provincial governments.

This is in reference to the Anti-Inflation Board.

> One of the functions of the board will be to carry out discussions with all parties involved in an effort to bring about compliance with the guidelines. If the issue cannot be resolved satisfactorily, the board may refer it to the enforcement authority—

I say to the minister and to the country that in many cases the provincial governments welcome this because it gets them off the hook. If the minister wants to subject that board to some kind of checking balance, let him place some members of the opposition parties on that panel. Never mind the provincial governments, they are glad to see Ottawa take the blame and they can say it is Ottawa's fault, their guidelines did not work. Let the government place some members of the opposition parties in the federal House on that panel. It is the federal House that governs all of Canada. It is from this place that Canada is governed, and that is the way it should be conceived and operated.

● (2150)

It is interesting to follow the defence by the Minister of Agriculture of the great marketing boards. The Minister of Finance (Mr. Macdonald) referred to agriculture twice. The first time, as recorded at 8193 of *Hansard*, he spoke about farm prices received by farmers and fishermen for their products which, he said, will be exempt from the guidelines. Then he said, as recorded on page 8194 of *Hansard*, talking about farm prices, that the government must ensure that its price and marketing system is not structured to maintain inefficient agricultural production and distribution.

I say to you, Mr. Speaker, and to members of the House that there is not one member of CEMA, and of the National Marketing Council governing CEMA, who does not know that distribution of eggs under CEMA is a catastrophe. It does not follow any natural, normal lines whatsoever. Evidently eggs are moving as they were a few years ago when they shipped eggs from Newfoundland to British Columbia and it was costing them 19 cents a dozen to ship them over that distance. Is there economic sense in moving eggs from Newfoundland to B.C.? When they got to B.C. they were rotten and had to be thrown out. The same system is being followed today. The only difference is that CEMA is doing a better job of covering it up.

If they want to study the distribution methods of agricultural products under the marketing boards, then they should be studied and they are there to be studied. I hope that Madam Plumptre and Mr. Jean-Luc Pepin can examine this very fully because I believe the inefficiencies are there in large doses.

Let us take a look at what they are doing. As I said earlier, this is a sloppy freeze doomed to failure. What is the consumer concerned about? First of all he is concerned about food. These controls do not control food prices at all. The board will look into the distribution of food and will look at the inefficiencies, but will they concern themselves with the prices? Not at all. Will there be a freeze on freight rates? No; this legislation will not control transportation freight rates, nor will it control the second most needed commodity in this country, namely, housing. New houses can fetch any price; this will not be controlled. They had a great scare in this country brought about by the inefficiencies of the Minister of Finance.

Will this piece of legislation control energy costs? Not at all. What three things does the average consumer need in this country? Food, housing and heat. This legislation does not control any one of these three things. Let us suppose you want to do something else besides eating and keeping warm. Let us suppose you want to venture out into society. For that you want to borrow money. Before we can go anywhere, we must become productive.

This bill does not control interest rates. The cost of money is rising. Money has become very necessary in doing business. What else does this legislation not control? The Prime Minister went up and down the country during the 1974 campaign stating clearly that wage and price controls or an incomes policy would not control the price

of imported goods and therefore would not work. The government admits it will not even attempt to control the price of imported goods. How many component parts going into goods manufactured in Canada are imported? Quite a few.

I do not see how this legislation can work. What will it control? There is some suggestion that it might control the prices of manufactured goods. Let us take a look at how this can be done. Let us look at page 17 of the white paper where it is stated under the heading "Firms which are unable to allocate costs to individual products":

> If a firm finds it impossible to allocate costs to individual products, it should price its products in such a way as to leave its percentage pre-tax net profit margin no higher than 95 per cent of its average percentage pre-tax net profit margin—

You can see the foolishness of this. If you cannot allocate costs, how can you say it will be 95 per cent of the previous year's costs? Anybody who has taken grade 12 math could fix the books so that the allocation is only 95 per cent of last year's costs. The next paragraph, under the heading of "Definition of costs" reads:

> The regulations will include a detailed list of items which should be excluded from allowable costs. Included in this list will be such items as losses resulting from occurrences which are not typical of the normal business activities of the supplier—

So you can exclude a lot of things.

Then we come to the next paragraph headed "Frequency of price changes". It reads:

> Firms are expected to refrain from increasing the price of any individual product more frequently than once every three months—

I have heard about inflation being calculated yearly, semi-annually and quarterly, but I did not know it was permissible to increase the price of goods under this freeze every three months. What will this do? It will clearly apply a freeze on wages.

I know it is popular today to condemn the workers, but the way to control inflation is to increase productivity. If you freeze workers' wages, do you think they will produce more? This party believes in increasing workers' wages to obtain greater productivity. If you allow a businessman to make a profit, he can plough that profit back into his business. A labourer with proper tools can produce more goods, and only through the production of more goods can we bring about a cure to inflation.

Then we have the grave matter of Canadian ownership and investment. If we freeze dividends, where will we find any money that is free in Canada? It will all go to the United States to make money for the companies down there, and the dividends will not be frozen.

In my view this bill is a shocking admission of the ineptitude of the government, and I think it should be and will be rejected by all Canadians as soon as they learn the truth about what this white paper encompasses.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—PROPOSED CAMP HILL COMPLEX AT HALIFAX—DATE OF TENDER CALL

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, before I raise the topic which brings us here this evening, may I announce the baseball World Series present score for those who stayed here assiduously and did not go to the lobbies. It is: Boston 4, Cincinnati nothing; and Mr. Luis Tiant is still chewing his original wad of tobacco.

I hope I and the veterans of Nova Scotia will find out the future of the proposed rebuilding of the Camp Hill veterans' complex. This prompted my question the other day to the Minister of Veterans Affairs (Mr. MacDonald), and brings me here this evening to find out what, if anything, is to be done to this building.

● (2200)

The Minister of Veterans Affairs in a speech to the 1975 convention of the Royal Canadian Legion held in Halifax on May 18 of this year noted:

> There are about two million potential clients of the Department of Veterans Affairs—veterans and the dependants of veterans—in Canada today.
>
> The department's responsibility to them, far from decreasing, has probably not yet reached its peak. As the average world war two veteran is still below normal retirement age, the number of DVA clients is growing larger, and will continue to do so for at least a short period of time before it starts to decline.

A few moments later in that same speech the minister said, "The department has 17,000 such clients in Nova Scotia".

It might be noted that Halifax is the metropolitan centre for Nova Scotia, indeed for Atlantic Canada, and attracts patients from many parts of the province to its hospital, so I think the problem of what to do about this aging hospital, built sometime around the second world war or immediately after—and of wooden buildings at that—is an appropriate one to raise here this evening.

On October 22 of last year I joined the Standing Committee on Veterans Affairs briefly to ask about Camp Hill, and one of the replies given to me by Dr. A. F. Jones, Director General, treatment services, Department of Veterans Affairs on that occasion is found in the minutes, issue No. 2 of that committee, as follows:

> The target dates for the planning are one year from September, and hopefully the tenders will be let a year from September. This was the target frame proposed at the time the announcement was made.

I said: "A year from last September," and Dr. Jones said: "That is right."

September has come and gone, but the hospital tenders have not been called. I gather that the hold up may be some negotiation with the provincial government which might deal with a widening of the use of the hospital, beyond the purely curative treatment of veterans, into

other aspects of hospital care. That might be the problem, or there may be some other reason. I hope we do find the answer.

The assistant deputy minister of the Department of Veterans Affairs, W. B. Brittain of Ottawa, is quoted in the *Chronicle-Herald* of last Saturday as saying that "financial restraints"—that is, the current program with which we are now dealing in our business here—"have not been an issue yet in the matter." It is also noted in the same article by Miss Barbara Hinds, that the armed forces have declared themselves out; that is, they do not want to form a part of that particular complex. But this was known by myself, and I am sure by many other people, at least a year ago, so that the decision of the armed forces could not have been the reason for the delay in going ahead with the plans for Camp Hill.

The province is probably being consulted. I do not know why it is not making a decision as to whether it would have an interest in the long term future of the hospital, but the minister of health for the province, Mr. William MacEachern, at one time known very well and favourably here in the press gallery, said:

> The DVA has always said they would be proceeding with the project whether the province took part in it or not.

Quoting him again from Miss Hinds' article, he said: "It is unclear if Ottawa is going ahead or not". Finally, to quote the Dean of Medicine at Dalhousie University, Dr. Lloyd B. MacPherson:

> The metro area has a far lower ratio of beds to population than any other part of Nova Scotia—
>
> And remember, we also have a lot of referrals from all other parts of the province.

In short, given the fact that there does not appear to be an austerity reason for the delay in building this hospital, there must be other reasons, but I am damned if I know what they are. I hope that when the parliamentary secretary replies he will be able to give me and the people in Nova Scotia the assurance that that hospital will get going very shortly.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the hon. member for Halifax-East Hants (Mr. McCleave) has covered the historic questions and negotiations concerning this matter extremely thoroughly. For a long time there have been under way long range plans for the rebuilding and rehabilitation of Camp Hill hospital and eventual negotiations with the University of Dalhousie. In view of, shall we say, my inexperience with veterans affairs procedures, I ought not to make any statement which I have not discussed with the minister. I therefore hope that the prepared statement in my hand will satisfy the hon. member. If not I will take the hon. member's remarks as notice and discuss them with the minister.

I am happy and pleased to be able to speak on behalf of the Minister of Veterans Affairs (Mr. MacDonald) in replying to the question asked by the hon. member for Halifax-East Hants on the subject of the proposed Camp Hill hospital complex in Halifax.

Planning by the Department of Veterans Affairs, in conjunction with the consultants who were appointed some months ago and with planners from Dalhousie University, has been proceeding in the usual way. Within the next month the minister hopes to have preliminary proposals as to the nature of the new active treatment part of the hospital. That, I think, is fairly clear.

The proposal which we made was that we would develop plans for a 400-bed active treatment unit based on the premise that the government of Nova Scotia would ultimately accept that Camp Hill hospital should be transferred from the department, for the benefit of the community, subject to our reserving adequate numbers of priority beds for veterans and the transfer of our staff. In fact the Minister of Veterans Affairs was speaking today with the provincial minister of health for Nova Scotia and I can assure you, indeed, that discussions are moving forward on this matter.

If the hon. member wishes to raise further questions, I shall be pleased to bring them to the minister's attention.

Mr. McCleave: I shall write.

HEALTH—POSSIBLE REVISION OF MAXIMUM LEVELS FOR MERCURY CHLORIDE AND PCB

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, it is becoming increasingly evident that we are living in a period of environmental disease. Increasing unbanization and industrialization, especially expanding technology, have altered our environment to such an extent that humans, animals, and plants are being exposed to an ever-growing number of harmful pollutants.

Recently a medical scientist at the National Cancer Institute stated that cancer in the last quarter of this century can be considered as a disease whose cause and control are rooted in the technology and economy of our society. Last week a biochemist and research worker at McMaster University in Hamilton was quoted in a newspaper article as saying that environmental effects cause up to 90 per cent of cancers and that current efforts are directed to a cure rather than elimination of causes.

In view of these remarks and mounting evidence of new toxic substances poisoning the environment, a comprehensive investigation of environmental pollutants should be undertaken by our governments in co-operation with university and industrial scientists without further delay. The eradication of present harmful pollutants and the prevention of toxic substances in future will not only contribute to the improvement to health but also reduce the cost of our hospital and medical programs and save many man hours and years in our industries.

The alarming statistics and new revelations of the harmful effect caused by environmental pollutants prompted me on October 14 to inquire of the Minister of National Health and Welfare (Mr. Lalonde) whether any revised maximum permissible levels for mercury chloride and poly-chlorinated-biphenyls have been decided upon by officials of his department. In his answer the minister revealed that results of recent studies in the U.S.A. on the harmful effects of PCBs are causing serious concern for his department, and that his officials are examining the advisability of introducing standards which may be even more strict than those in force in the United States.

● (2210)

It is now widely accepted that vinyl chloride, a colourless gas that is the basic ingredient in the poly-chloride-vinyl industry, is the cause of an increasing number of cases of angio-sarcoma of the liver. There is also great concern expressed that poly-chloride-vinyl present in containers and plastic wraps for food and drinks can leach into these food products and could cause cancer, birth defects, and diseases of the liver and kidneys.

What should be more alarming is the failure in the past of adequate screening and testing of toxic substances on the market and detecting them before they reach the air we breathe and the food we eat. It appears that most of the Canadian decisions relating to environmental pollutants and their maximum permissible levels are based upon work done by American scientists and regulations made by the health authorities in Washington.

I believe Canadian health authorities should take greater initiatives in starting investigations and making regulations by using more Canadian expertise instead of waiting and sometimes blindly following foreign sources. It is high time that we in Canada re-examine the present approach to public health, the present state of toxicology, the present anti-pollution laws. We must do better to prevent new toxic substances from entering the environment, as well as examining present pollutants, food additives, and drugs. Further delay in taking appropriate action will only compound our problems and cause irreparable damage. We cannot wait much longer before other disasters strike an unprepared public.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the hon. member has identified an area which is right in the front of concern in Canada today. Before I turn to it, I know the hon. member will agree with me that in general, Canada does not ignore problems of pollution. In fact, in establishing legal frameworks and technological advances, Canada is a world leader.

The Department of National Health and Welfare, as the hon. member will certainly recall, is moving in its new perspectives on health to an ever greater concern for environment as a cause of illness. We look forward to even greater concerns from the department for advancing Canadian health through activities directed at the environment.

To deal with the matter of PCBs, I am glad to have the opportunity to bring new and important information to the attention of hon. members.

On October 3, 1975, the Ontario ministry of health recommended that Coho salmon caught in the Credit River should not be eaten more than once a week and that pregnant women should not eat the fish. This action was taken because residue levels of up to 20 ppm were being found in edible portions of Coho salmon. There is no commercial fishing that we know of there, but some are caught and eaten by sportsmen.

Surveys by the Fisheries Inspection Branch, Environment Canada, indicate that saltwater fish and most freshwater fish contain residues of PCBs well below 5 ppm. Surveys by the Health Protection Branch show that contamination of other foods with PCBs such as dairy products, eggs, and poultry is consistently low and often not detectable.

The U.S. food and drug administration set a tolerance for PCB's in fish of 5 ppm in 1972 based on the limited toxicological data available at that time. But it must be pointed out that much more information bearing on the safety of PCBs is now becoming available. Departmental officials did not recommend tolerance levels at that time because there was insufficient monitoring and toxicological data then available to make meaningful recommendations based on sound science. They have been working hard to acquire such data and have expanded their contacts with scientists around the world who are concerned about PCBs.

It is important that Canada should undertake its own research, as the hon. member has suggested, and as he knows we do, but at the same time we should not ignore international research activity.

Two major international meetings, one sponsored by the World Health Organization and the other by the U.S. Environmental Agency, are being held within the next two months to assess the PCB problem. It had been hoped we could await the outcome of these meetings before setting legal tolerances for PCBs in fish, in order to collate world knowledge in this area. In the light of our examination of the unpublished U.S. data, however, the matter appears to be too urgent to wait for the outcome of these meetings. Consequently, officers of the department are meeting with officers of the Fisheries and Marine Services, Environment Canada, to discuss immediate action. These discussions are now in progress and it is hoped the minister will be able to propose tolerances for PCBs in Canadian foods within the next few days.

FISHERIES—POSSIBLE DISCUSSION OF EXTENSION OF CONTROL OVER RESOURCES WITH UNITED STATES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to congratulate the hon. member for Saint-Michel (Miss Bégin) on her appointment as Parliamentary Secretary to the Secretary of State for External Affairs.

I find it difficult to reconcile the position of Canada in its relationship with the United States as it applies to a unilateral declaration of a 200 mile fisheries zone—I repeat, Mr. Speaker, a fisheries zone, not a 200-mile economic zone or an extension to our continental shelf which we all agree will hopefully come about as a result of further negotiations.

As a result of recent discussions between the minister and his colleagues with the United States foreign affairs secretary, certain matters were discussed relating to fisheries and subsequently, according to press reports, Mr. Kissinger stated that the U.S. agrees with Canada's position regarding further negotiations to achieve its ultimate goals. But what was left unsaid—and still remains unanswered—is what discussions took place with regard to the bill which stands before the Senate and the House of Representatives in the Congress of the United States—Bill HR 200 entitled "The Establishment of United States Fisheries Conservation and Management Zone extending to

the 200-mile limit." I therefore wish to ask the parliamentary secretary whether Mr. Kissinger was asked about his or the U.S. President's position in regard to this bill.

It is also difficult for me to reconcile; the growing numbers of nations that are declaring 200-mile fishing limits unilaterally, nations like Mexico, Iceland, Norway and, indeed, the United States, and I understand that this action is being taken because of their growing dissatisfaction with the pace at which the Law of the Sea negotiations are progressing. If all is well, as the Secretary of State for External Affairs (Mr. MacEachen) keeps assuring us, then why have these nations declared their intentions since the last Law of the Sea Conference?

It is worth while noting the concern expressed at the Atlantic Provinces Economic Council deliberations on the Law of the Sea when the frightening revelation came forth from Mr. Cabot Martin, a dedicated student of ocean law, that any action by Canada would depend on United States initiatives. It was even more alarming to note that Mr. Martin, who has taken part in Law of the Sea Conferences, was informed by his American counterparts that the President of the United States supports the bill as presented to the House and Senate, as long as it did not take effect until January, 1977, which means that Canada would not declare if she was so disposed until after that date.

On a recent visit to the United States with a parliamentary delegation, discussions revealed that indeed such was the case, and I think that members opposite who attended will confirm that this was so. Let's look also at some of the statements made by international experts, Mr. Speaker. First, I quote from Mr. Jean Angrand, a specialist in international law, taken from an issue of *International Perspective:*

> The recent conferences at Geneva and Caracas have produced no new solutions; in fact, the situation has become more complicated for several reasons, the main ones arising from the dissimilar positions taken by the participants and from the interaction of political claims and economic demands.

And I quote from a paper by Barry Duzan in the same publication, a gentleman who is preparing a book-length study on the Law of the Sea negotiations. One comment he made on one of the committees, committee II, is as follows:

● (2220)

> In committee II dealing with nearly all the traditional law of the sea terms, developments bordered on the disastrous. Because of its extensive, complex and controversial agenda, this committee needed a significant move forward, a move which did not occur and indeed scarcely any progress was made. The committee spent two fruitless weeks reviewing the work of the Caracas session and did not even begin to meet until the last two weeks of the session.

Finally, this comment by the same expert:

> The single negotiating texts did not commit anybody to anything, but it is hoped that they would attract sufficient support to act as a focus for subsequent negotiations, and thereby release delegates from the ruts of their oft repeated preferences as expressed in the numerous alternative articles in existing texts.

These were not made public until the last few minutes of the session, the idea being to avoid controversy, to give delegates time to reflect on the single texts outside the pressure of the conference and to prepare their responses as a basis for the next session. A welcome side effect was their value as a visible product to justify the Geneva session. So I find it very difficult to believe the minister of external affairs, who all during the summer recess kept proclaiming across the country, and particularly in the maritimes, that all was well, that progress was being made, and that Canada was leading the conference toward victory.

I have more faith in what the fisheries minister is doing in his bilateral negotiations with those countries that are willing to co-operate on surveillance and quotas. But I deplore that I am expected to believe that solutions are just around the corner and that by continuing negotiating we will achieve our aims. It is obvious that this is going to take many more conferences. There is only one answer to the problem until international agreement is reached, and I repeat that is that Canada must take unilateral action immediately to protect our fish stocks by declaring a 200 mile fisheries zone before we are negotiated right out of the fishing industry. If the United States deems it important enough, why do we continue to procrastinate? Surely, then, we can continue to negotiate on offshore resources, sea passage, and the other main objectives to proclaim management and control out to our continental shelf, and I ask the minister to address himself to such action as I suggest.

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, first of all I should like to thank my hon. colleague opposite for his very kind words regarding my recent appointment to this new responsibility. I also take it for granted that he will excuse my deficient knowledge of the English language, my lack of mastery of the law of the sea and the technical language that goes with such an important issue, one that is highly specialized. Since I have been in this House I have come to realize very deeply his concern, and that of his colleagues and my colleagues who represent fishing communities and fishing interests—in other words, Canadian interests—for this very acute problem. I have had the opportunity of being able to observe some of the lengthy deliberations that took place at the deliberations in New York during the penultimate session of the General Assembly of the United Nations.

To relate my remarks more directly to the hon. member's present question, I might say that the question of the extension of fisheries jurisdiction to 200 miles was discussed on the occasion of Dr. Kissinger's visit to Ottawa. I am here referring to the discussions that took place between the Secretary of State for External Affairs (Mr. MacEachen) and other Canadian ministers and the United States Secretary of State, Dr. Kissinger. I cannot speak here about the conversations that took place between the Prime Minister (Mr. Trudeau) and Dr. Kissinger; I should like to make that quite clear.

The hon. member will understand that I wish my minister had the occasion to answer this question for himself in the House, both because he would be far more aware of the exact tone of the deliberations and because I feel it would have been courteous on my part to let him do so. Unfortu-

nately, the Secretary of State for External Affairs, as my colleague knows, is now in England and Scotland opening the Institute for Canadian Studies. However, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) can be assured that I will carry to him the exact meaning and concern of his question.

Both Canada and the United States attach great importance to early extension of their respective areas of fisheries jurisdiction. This matter has been the subject of consultation between the two countries for some time now, as the hon. member knows very well. I understand that the meeting with Dr. Kissinger was most useful. I am not in a position to explain, since I was not present, exactly what that "most useful" means. I do hope the question will be directed to the minister in that regard.

I think it has been made quite clear on more than one occasion that the Government of Canada is determined to extend Canada's jurisdiction out to 200 miles. It has also been made quite clear that although we would wish to do that through an international treaty we are not waiting for the conclusion of that treaty to take action. Has my time expired, Mr. Speaker?

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, October 22, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL SECURITY

REQUEST FOR DETAILS OF ALLEGED USE OF CANADIAN TERRITORY BY REVOLUTIONARIES AND EXPULSION OF CHINESE DIPLOMAT—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): I rise, Mr. Speaker, to propose a motion under the provisions of Standing Order 43.

Some hon. Members: No!

Mr. Cossitt: Yes! It arises from the frequent use of Canadian territory in conjunction with groups from the United States for activities of a serious nature directed against third countries and, also, from the failure of the government to disclose full details surrounding the expulsion of the Chinese diplomat Kuo Ching An earlier this year. I would move, seconded by the hon. member for Winnipeg South Centre:

That the Solicitor General give the House full details concerning frequent use of Canadian territory in recent years by persons acting or co-operating with certain revolutionary-minded persons in the United States and elsewhere dedicated to action against the legal governments of third countries, and the House requests the full disclosure of all available information concerning the expulsion from Canada this year of diplomat Kuo Ching An of the People's Republic of China, confirming that this was as a direct result of his attempting to convey a sizeable sum of money to a Philippine revolutionary group in the United States as payment for an attempt to assassinate President Ferdinand Marcos of the Philippines.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FOOD PRICES

PROPOSAL TO FIX PRICE OF PRODUCTS FOR DOMESTIC CONSUMPTION—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity.

As food plays an important part in Canada and as the prices of 80 per cent of food products are likely to spiral according to the market forces, and given the fact that no serious measure has been taken in this area, that the amount of money spent on food varies from 20 per cent of the budget for well-to-do consumers to 50 per cent for those in the lower income brackets and also that the cost of grains is decisive for farm products like beef, bread and so on, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That the House take immediately all necessary steps to be able to put a quota on a portion of production which is equal to national consumption and set arbitrary prices for it.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

POST OFFICE

SUGGESTED RESUMPTION OF NEGOTIATIONS WITH UNION OF POSTAL WORKERS—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): I, too, rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the social and economic dislocation occasioned by the current cessation of postal services, and in view of the continued insensitivity of the Postmaster General toward the need for equitable completion of contract negotiations with the postal workers, an insensitivity vividly demonstrated by the numerous derogatory statements concerning the leadership of the Canadian Union of Postal Workers and his sabotaging of the collective bargaining processes by issuing an ultimatum commanding agreement to the government wage offer, I move, seconded by the hon. member for Brant:

That this House instruct the Postmaster General to cease these irresponsible tactics and that the President of the Treasury Board take his rightful place in the current negotiations with the postal workers in the hope that contract talks may be expeditiously resumed and a just settlement swiftly negotiated.

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

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

INDIAN AFFAIRS

REQUEST FOR RETURN TO KETTLE POINT BAND OF LAND EXPROPRIATED BY DEPARTMENT OF NATIONAL DEFENCE—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion arising from an urgent matter. In view of the fact that the Department of National Defence has refused to return certain lands expropriated under the terms of the War Measures Act from the Kettle Point Indian Band because of the presence of accumulated live artillery shells on that land, and in view of the fact that in less than two hours' time the department will start firing more artillery on the land, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House order the Department of National Defence to stop these planned manoeuvres, and further that this House direct the department to remove all unexploded ammunition from the land and return it to its original owners.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House for the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—GOVERNMENT POSITION ON EXISTENCE OF EMERGENCY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister. I should like to ask him a fundamental question that must be answered in light of the government's white paper and the postal strike. I do not think there can be any real doubt about the government's position but I should like to make absolutely certain. At the first ministers' conference in April of this year the former Minister of Finance stated that "the imposition of direct controls by the government over prices and incomes . . . would not be acceptable to the people . . . except in conditions of real emergency". I assume there is no question about this, but is it the government's position that conditions of real emergency do exist now?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. Leader of the Opposition knows, the legislation now before the House rests, in part at least, upon the peace, order and good government clause in the constitution, and therefore in that sense there is an emergency.

Mr. Stanfield: A supplementary question, Mr. Speaker. Is it the Acting Prime Minister's position that there is a real emergency? So there is no doubt about it, is that the position of the government? Secondly, is it the position of the government, in considering the postal strike, that this also constitutes an emergency situation?

Mr. Sharp: Mr. Speaker, the particular emergency that underlies, at least in part, the legislation now before the House relates to the situation that has arisen out of inflation. There can, of course, be serious problems arising out of a postal strike, but it is not in that sense that there is an emergency.

ANTI-INFLATION PROGRAM—EFFECT OF WAGE GUIDELINES ON COLLECTIVE BARGAINING

Hon. Robert L. Stanfield (Leader of the Opposition): A final supplementary question, Mr. Speaker. If there is an emergency with regard to inflation but there is no emergency with regard to the post office, may I ask the Acting Prime Minister a question arising out of the position that he took yesterday. The minister said that he could not hold out any hope that a post office strike would not harm many individuals, but he said that this is one of the penalties of collective bargaining. Is it the government's position that collective bargaining has not already been very narrowly circumscribed, at least in dollars and cents terms, as of midnight, October 13?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the answer is this, that collective bargaining can proceed. If, however, after a reference to the Anti-Inflation Board it is found that the settlement exceeds the guidelines, then, of course, various actions may take place. But this does not in itself interfere with collective bargaining.

Mr. Baker (Grenville-Carleton): You cannot suck and blow at the same time.

Mr. Sharp: Perhaps I can explain the situation in this way. My colleague the Postmaster General has offered to the inside workers the proposal that was accepted by a very high proportion of the letter carriers. That, we hope, will be within the guidelines as administered by the Anti-Inflation Board. My colleague does not feel at all inhibited in carrying on his negotiations by reasons of these guidelines. We believe the offer is well within them; but this is not a judgment that politicians will make, it is a judgment that will be made by an independent board.

* * *

POST OFFICE

STRIKE OF INSIDE WORKERS—WILLINGNESS OF GOVERNMENT TO NEGOTIATE FRINGE BENEFITS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question for the Postmaster General. We are pleased to see the hon. gentleman back in the House today.

Some hon. Members: Hear, hear!

Mr. Dinsdale: There is an obvious fuzziness appearing at the fringe in getting to the root of this post office problem as the bargaining goes on through the media rather than through the established procedures.

Some hon. Members: Hear, hear!

Mr. Dinsdale: In view of the fact that the leaders of the Canadian Union of Postal Workers have indicated, again through the media, that they are willing to continue negotiations based on the fringe issues rather than the wage packet, and in view of the same statement by the minister and other government spokesmen that they are willing to return to the bargaining process to consider these fringe issues, will the Postmaster General now clarify the matter by stating that this is the government's position so that we might get the postal workers back to work to continue this vitally important service?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, one party in the House that did refuse to help the postal workers was the NDP. I think that was the statement of the C.U.P.W. leader out in Winnipeg the other evening. The last time we were in direct consultation with the postal workers—I am not sure which spokesman it was, but one of them—it was clearly understood we were prepared to continue bargaining and we had not considered at any time breaking off bargaining. We invited them to come back to the bargaining table when they had finalized their own position in so far as the wage packet was concerned, and then we would see to the fringe benefits which are also monetary items.

I might point out to the hon. gentleman that if there were no anti-inflation board or anti-inflation campaign, the money we would offer CUPW would be precisely the same as is being offered now because of the fact that the letter carriers have this settlement, and because of the recommendation of the chairman of the conciliation board, who is certainly a very neutral gentleman and a judge of the superior court whose advice we gladly accepted. So the offer to CUPW is based first on the relationship to the settlement with the letter carriers, with whom they must work side by side, and secondly on the report of the conciliation board chairman. The effect of the Anti-Inflation Board simply means that the settlement, when and if it is arrived at, will have to go to the board for ratification or rejection, one or the other.

As far as resuming negotiations, my offer is open and there would be no better gesture of goodwill that would be appreciated by the Canadian people, and an indication of their willingness and sincerity, than for the union to invite the workers to go back to work while the negotiations are going on, because the strike they called was useless and futile, and does not in the slightest add any pressure on the minister who runs the post office.

Oral Questions

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTION FOOD CHAINS SUBMIT TO BOARD PRICES CHARGED BEFORE AND AFTER ANNOUNCEMENT OF PROGRAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to ask the Acting Prime Minister whether the government or perhaps the chairman of the Anti-Inflation Board would ask the major food distribution chains, Safeway, Loblaws, Steinberg and Dominion stores to submit to the board their price lists for the two weeks prior and the two weeks following the announcement of the government's anti-inflation policy in order that the board can ascertain whether in fact prices are being raised, particularly in view of reports from all parts of Canada that these companies seem to have at least anticipated the government's policies and raised many prices over the Thanksgiving weekend?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the suggestion of the hon. member is a very sensible one. I do hope we can get this bill into committee so this kind of suggestion can be made to the board. The board can be summoned and suggestions can be made directly. Moreover, this would finally give the teeth that is now lacking in the present law.

Some hon. Members: Hear, hear!

● (1420)

ANTI-INFLATION PROGRAM—POSSIBILITY OF BOARD PUBLISHING INFORMATION ON PRICE INCREASES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, surely the board does not need to wait for the legislation to make such inquiries. In view of the thoughts expressed by many people to the Prime Minister and the Minister of Labour yesterday that the wage and salary restraints will be easy for the Board to monitor, but that increases in prices will be difficult if not impossible to police, will the government impress on the Anti-Inflation Board the necessity to make as much information as possible on price increases which the board will be looking into available to the public so that Canadians can be informed concerning the effect of the government's policy as the weeks and months go by.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I find myself in general agreement. It is our view, as I think it is his, that the board should be as diligent as possible in checking both wages and prices, and I only hope he agrees with me that we should get this legislation through so that there will be something the board can do to implement our policies.

Mr. Orlikow: Mr. Speaker, do I understand from the Acting Prime Minister that the inferences in respect of the legislation drawn by at least one if not more of the provincial governments, which are being made known to the Prime Minister today, are that the investigation which the board will make in respect of companies will be made in private and based on confidential information the board receives and that the board is not likely to identify the companies which are alleged to have raised prices, that in fact the board will not be giving the kind of information

which I am suggesting to the Acting Prime Minister it should be giving on a very regular basis to the public.

Mr. Sharp: Mr. Speaker, it seems to me that the hon. gentleman should be in favour of what I am in favour of which is to get an independent board established which has the power to roll back price increases where necessary. We are now talking about something that is rather theoretical. What we have provided is the investigation. I agree with him that the investigation should proceed, but I hope he agrees with me the board should have some power to roll back prices.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTED DENIAL OF RIGHT TO RETURN OF FLQ EXILES

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put my question to the Acting Prime Minister.

In accordance with the reports that the FLQ members now in Paris are asking for a permit of political refugees in France and considering their recent statement, could the Acting Prime Minister tell us whether the Canadian government has received an official request for their return in the country and could he, on behalf of the Canadian government, assure the House and the Canadian people that we will have nothing more to do with those revolutionary FLQ members and that we will deny them the right to return to Canada, in spite of their application?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the situation at the present time, as has been the case ever since these serious incidents of five years ago, is that these particular individuals if they return to Canada will be prosecuted for the crimes they committed.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REASON FOR OMISSION FROM LEGISLATION OF WORDS "NATIONAL EMERGENCY"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of the earlier question asked by the Leader of the Opposition. That is a question which I think must be cleared up once and for all in any discussion regarding this bill, or the labour situation so far as the Post Office Department is concerned will be simply problematical. The question has to do with the constitutionality of this legislation dealing with price and wage control. When it was first produced I questioned the constitutionality of certain elements in the white paper and the reply I received from the government was that the government was assured it is within the legislative competence of Parliament. Now in the last 48 hours outstanding constitutional authorities across Canada have pointed out—

Mr. Speaker: Order, please. The right hon. member may very well have an interesting debating point, but it appears to me he is about to develop an argument in favour of his position on constitutionality. If the right hon. member has a question to put perhaps he would do that now.

[Mr. Orlikow.]

Mr. Diefenbaker: I thought this House would like to have the constitutional opinion of experts rather than novices sitting opposite.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: In order to make it constitutional, the Supreme Court of Canada has made it clear on several occasions that it is necessary to state there is a national emergency. Now, we have the minister saying that there is an emergency.

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: The hon. member for Prince Edward-Hastings.

Mr. Diefenbaker: I do not understand that and I do not intend, Mr. Speaker, to be denied—

Some hon. Members: Order.

Mr. Speaker: I am sorry, I feel that in the circumstances I have extended every leniency to the right hon. member to put his question. Since he continues to argue the point, I prefer to go to the hon. member for Prince Edward-Hastings.

Mr. Diefenbaker: I am not arguing the point, I am asserting the right.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I have always bowed with deference to Mr. Speaker, but when I have a question on the constitutionality of this matter—

Some hon. Members: Order.

Mr. Diefenbaker: —I say I have the right to speak, despite what Your Honour understands that I am endeavouring to ask.

Mr. Speaker: Order, please. In accordance with the provisional rules under which we have been operating since last Easter recess, I would be prepared to hear the right hon. member's argument at three o'clock. I ask the right hon. member once more, if he has a question to put, that he put it forthwith without further argument.

Mr. Diefenbaker: I ask the minister this—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, there are many hon. members who have not even read the law yet.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Why is it that the words "national emergency" are not included in the preamble of this bill?

Peace, order and good government is not enough. Is it because the government realizes that if it placed those words in the bill it would cover all the provinces in Canada and no province would be able to set up a board of its own?

Some hon. Members: Oh, oh!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, when this bill was being drafted the government had the advice of the law officers of the Crown who advised us that it could be defended under the peace, order and good government provisions of the British North America Act and perhaps under other provisions as well. A decision was made to draft it in this form on the best advice the government could receive.

Mr. Diefenbaker: It is a complete hoax.

* * *

THE MINISTRY

DATE OF ANNOUNCEMENT OF NEW MINISTER OF COMMUNICATIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Acting Prime Minister. Has the Prime Minister yet decided whom he intends to appoint to the vacant position of minister of communications? If so, when will the name of the new minister be announced, and has the government decided to reserve its new policy of going outside of parliament for its new ministers and decided to take a chance on one of its own backbenchers?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, if the Prime Minister has a name in mind, he has not yet conveyed it to his colleagues. He may do so shortly. I can assure the hon. member that the new minister, if he is from one of these backbenches, will be a most competent one.

An hon. Member: Why did he not think of that before?

* * *

POST OFFICE

GOVERNMENT POSITION ON LEGISLATING EMPLOYEES BACK TO WORK

Hon. John A. Fraser (Vancouver South): Mr. Speaker, in view of the serious cost to the country of a prolonged postal strike, is the government prepared to consider a 90 day back to work order during which time the Postmaster General could pursue some settlement with the union membership, or has the government decided that it will not act but rather let the strike run its course even if it lasts for many months?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, part of this is a hypothetical question which I will not attempt to answer, but the government has no intention at present to propose to parliament an order to return these men to work. That may be necessary, I really do not know; but our hope is that there will be an agreement entered into voluntarily. That is the purpose of the negotiations that we are ready to resume at any time on the basis of the letter carriers' wage settlement. I hope that my hon. friend is not recommending that we should go beyond that.

● (1430)

Mr. Fraser: Mr. Speaker, in view of the Prime Minister's comment yesterday that it could be a long strike, in view of the comment of the Postmaster General that he is prepared to shut the Post Office down for three months or until Easter and in view of public concern as to what the position of the government really is in this regard—whether it will allow the strike to go on indefinitely—can the Acting Prime Minister advise the House whether it is government policy to ride this strike out no matter how long it takes, or is the government prepared to consider back to work legislation after a period of time?

Mr. Sharp: The government is not contemplating any legislation at the present time to return the Post Office workers to work.

GOVERNMENT POSITION ON WHETHER SERVICE IS ESSENTIAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have two short supplementaries in order to clear the fuzziness resulting from the answers of the Acting Prime Minister. Has the government reached a conclusion as to whether postal service is essential? May we have the answer?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we certainly think it is important. We would like to see it resumed as quickly as possible; however, I am sure that my hon. friend is enough of a supporter of the principles of collective bargaining that he would not want to interfere with that process just whenever it suits the convenience of some members of the public.

Mr. Hees: Is it essential or not?

Mr. Alexander: Will the Acting Prime Minister answer my question? Has the government reached a conclusion as to whether postal service is essential? That is just a repetition of the first question, so I still have my second supplementary to come.

Mr. Speaker: Order, please. The hon. member for Parry Sound-Muskoka.

Mr. Alexander: Mr. Speaker—

Some hon. Members: Oh, oh!

Oral Questions

HOUSING

REQUEST FOR ASSURANCE ALL THOSE PURCHASING NEW HOMES WILL RECEIVE $500 GRANT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. Considering that many home owners currently purchasing new houses are finding that they cannot receive their $500 new home ownership grant because the purchases cannot be processed quickly enough, will the government ensure that all individuals purchasing homes before the end of the month will receive the $500 grant?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am an optimist; I am signing my mail. In answer to the question of the hon. member, certainly those applications which are being processed will be honoured. I will be making further announcements within the next day or so regarding the future of the program itself.

REQUEST FOR EXTENSION OF $500 GRANT PROGRAM

Mr. Stan Darling (Parry Sound-Muskoka): In view of the fact that the new home ownership grant has eased the entry into the housing market for consumers, and considering that the availability of this grant will terminate on October 31, 1975, does the government have any intention of extending this deadline so that those who wish to purchase homes in the future can have the same benefit as those who have purchased homes under this program, and would the minister give further consideration to extending the program to existing homes rather than just new homes as at present?

Hon. Barney Danson (Minister of State for Urban Affairs): If I could answer the latter part of the question first, the answer is no. With regard to the first part of the question, I will be making an announcement within the next day or two, when a decision will be made. Certainly we recognize the value of this program, but as hon. members know, I will be bringing to parliament shortly a far more comprehensive program which I am sure will be welcomed by both sides of the House.

* * *

INCOME TAX

POSSIBILITY OF AMENDMENT TO CONFISCATE INCOME IN EXCESS OF GUIDELINES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Acting Prime Minister. In view of the statement of the Prime Minister outside the House yesterday threatening to tax away any pay increases in excess of the guidelines of the government, I would like to ask the Acting Prime Minister to inform the House whether it is the intention of the government to bring in legislation amending the Income Tax Act to permit the use of the taxation system to confiscate income in excess of the guidelines.

[Mr. Alexander.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we hope that will not be necessary.

AVAILABILITY OF TAX RETURNS TO ANTI-INFLATION BOARD

Mr. Lorne Nystrom (Yorkton-Melville): Since the Prime Minister is suggesting one or two alternatives, I would like to ask the Acting Prime Minister whether it is the intention of the government to allow the administrator of the Anti-Inflation Board to have access to the income tax returns of Canadians or groups of Canadians in view of the confidentiality of such returns.

Hon. Mitchell Sharp (Acting Prime Minister): I would not have thought this likely. I would have thought that this would require legislation. If legislation is required, then it would come before the House. I have not heard of any suggestion of that kind.

Mr. Nystrom: How will the government enact the suggestion made outside the House by the Prime Minister yesterday if it does not do it in this manner?

Mr. Sharp: Any idea of taxing back excess of earnings which are over the guidelines, or any other procedure like this, would require legislation by the House of Commons.

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THE MINISTRY

REASON FOR ABSENCE OF MINISTERS—POSSIBLE USE OF ROTATION SYSTEM

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I was hoping for the second day in a row to be able to put a question. I wanted to put a question to the Minister of Industry, Trade and Commerce, but in view of the fact that only four of the ten ministers who adorn the front treasury benches are present in the House, I shall put my question to the Acting Prime Minister as government House leader. Is it now the position of this government that it is putting its ministers back on a rotation system, in view of the fact that few of them are ever here?

Some hon. Members: Oh, oh!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the reason there are quite a number of absences today, which I regret as much as anyone else in the House of Commons, is the fact that quite a number of ministers are out explaining the government's anti-inflation program in various parts of the country.

Some hon. Members: Oh, oh!

Mr. Dick: Why not do it in the House then?

Mr. Sharp: I think it is desirable that some of the rather less accurate information which has been spread about by those who may not agree with the program should be answered, so that the public is not confused about the intentions of the government. The other reason some ministers are absent is that they are attending a federal-pro-

vincial conference on the very subject upon which this House is now engaged in debate.

Some hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

REASON FOR STAY OF EXECUTIONS OF THREE PERSONS—POSSIBILITY OF INTRODUCTION OF LEGISLATION TO ABOLISH CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General whether it is correct that the executions of three persons convicted or murder by due process of law have been stayed until July 15? Was the reason for that stay, which is not commutation, that the government intends to bring in a bill to completely abolish capital punishment?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the Governor in Council has granted stays of execution on the sentences of death pronounced upon Messrs. Connearey, Vaillancourt and Chartrand. This request was made because the government intends to present a bill to parliament on the matter of capital punishment and other measures relating to law reform and to crime prevention.

Mr. Woolliams: I would like to have this matter clarified in one important area because I know the Solicitor General has been dancing with this subject. Is it his intention to bring in an omnibus bill in which part will be gun control, to give the public the appearance of getting tough on crime, and in the same bill to put in a measure to abolish capital punishment? Is that the game the Solicitor General is playing with the Canadian public?

Mr. Allmand: The package of measures on this subject will be announced by the Minister of Justice and myself, but no decision has been made as to whether it will be one, two or three bills.

Some hon. Members: Oh, oh!

GOVERNMENT INTENTIONS WITH REGARD TO ENFORCEMENT OF LAW RELATING TO CAPITAL PUNISHMENT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the Solicitor General. One of the more amazing exceptions the Prime Minister made in his statement ten days ago was his commitment to permit growth within police forces. Given the belief of the Prime Minister that all we have to do is groove on goodness, is this exception an indication that he plans to embark on a program of greater general law enforcement without enforcing the law with regard to capital punishment?

Mr. Speaker: Order, please. The hon. member for Comox-Alberni.

● (1440)

HOUSING

PROPOSED GRANTING OF TAX EXEMPTIONS ON MORTGAGE INTEREST IN EXCESS OF SIX PER CENT

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In the minister's tradition of bold inventive housing programs—

Some hon. Members: Oh, oh!

Mr. Anderson: —can the minister advise the House if consideration is being given to tax exemptions for mortgate rates in excess of 6 per cent for new and existing home owners and if not, would he view such a proposal favourably?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, certainly we do not discount any new approaches but I would not want to indicate a preference until I bring my proposals before parliament.

VANCOUVER CONFERENCE ON HUMAN SETTLEMENTS—FUNDING OF NON-GOVERNMENTAL ORGANIZATION PARTICIPATING IN CONFERENCE

Mr. Bill Clarke (Vancouver-Quadra): Mr. Speaker, my question is also for the Minister of State for Urban Affairs and I have given him notice of this matter. In view of the fact that the government has failed thus far to promise funding for the Association in Canada Serving Organization on Human Settlements (ACSOH), the agency responsible for the non-governmental organizations participating in the Habitat conference in Vancouver next year, can the minister now indicate whether the government is prepared to fund this international conference on a proper basis so that all taxpayers of Canada will share the load that will otherwise be an unjust burden on the residents of Vancouver?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I thank the hon. member for mentioning that subject to me the other day. I have been looking into this matter and there will be adequate funding for ACSOH and other non-government organizations. I cannot answer specifically what portion of that will be funded by LIP grants or employment grants but there will be some very beneficial residual benefits from the conference for Vancouver and Vancouver-Quadra. I will report more completely when I have details of this, but there will be sufficient funding for the non-governmental organizations to do their job well and for the provision of facilities in Vancouver.

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FISHERIES

INCOME SUPPORT PROGRAM FOR FISHERMEN—POSSIBLE MODIFICATION OF UNEMPLOYMENT INSURANCE PROVISIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State

(Fisheries). In view of the fact that the incomes of the fishermen are deteriorating as a result of the depletion of our fish stocks, can the minister indicate to the House what is happening with the proposed income support program that was supposed to be implemented in July, 1975?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, on the latter part of the question, I do not think I ever undertook to implement a program by July, 1975. We are working on this program hand in hand with one for stabilization of prices to fishermen. We hoped to bring them before the House in the coming months.

Mr. Marshall: A supplementary question. In view of the fact that there might be continuing delays, I wonder if the minister would indicate if he has had discussion with his colleagues on modifications of the unemployment insurance provisions relating to fishermen in order to overcome many of the inequities that are hindering collection of payments?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, we had accepted that UIC for fishermen would continue until a program was brought in to replace it.

Mr. Alexander: We heard that four years ago.

Mr. LeBlanc (Westmorland-Kent): I was not here four years ago. At the present time, I would hope we can move more quickly than on amendments to the UIC.

POISONING OF FISH IN CAPILANO HATCHERY—REQUEST FOR INVESTIGATION

Mr. Ron Huntington (Capilano): Mr. Speaker, I, too, have a question for the Minister of State for Fisheries. Can he advise if the RCMP have been called in to investigate the chlorine poisoning of 1½ million fish in the Capilano hatchery?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, my information is that pathology tests done in the last 48 hours have not revealed in a precise manner the reason for this tragic accident or sabotage—we do not know which is involved yet. The police have been asked to co-operate with us.

Mr. Huntington: A supplementary question, Mr. Speaker, and I should like to advise the minister that the cause of death of the fish is known and that it is chlorine. I should like to ask if it is possible for the minister to advise how chlorine could get into the water system of the Capilano hatchery as it is a carefully controlled component of hatchery environment?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I can confirm that traces of chlorine have been found, but I have no report yet from the scientists that this is the final and firm cause of the death of fish. On the question of how this might have been introduced into the system, that is precisely what we are trying to find out now. I find it rather difficult to believe it could have been accidental but we are checking every point.

POST OFFICE

REASON FOR MINISTER'S ULTIMATUM ON WAGES WHILE OTHER NEGOTIABLE ITEMS NOT SETTLED

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Postmaster General. Considering the fact that while negotiations were going on between Treasury Board and the Canadian Union of Postal Workers, over 100 clauses had been initialled and that the union had agreed not to strike while negotiations were continuing, why did the minister lay a wage ultimatum on the table which forced a strike when so many other negotiable issues remained unsettled, bearing in mind that without the leverage of the wage packet they could not negotiate on the non-monetary issues?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I think that is a fair and honest question. There were many clauses and articles initialled on Friday and Saturday. They let it be well understood that there would be no strike while negotiations were going on. Unfortunately, while negotiations were taking place on Monday night, orders had already gone out to strike at midnight, which is hardly evidence that they acted in good faith. I have the evidence any time the hon. member would like to see it.

GOVERNMENT POSITION ON NEGOTIATING TOTAL PACKAGE OF BENEFITS

Mr. Cyril Symes (Sault Ste. Marie): I think all members of the House would like to see if that evidence is valid or not, Mr. Speaker. I should like to put a supplementary question to the Acting Prime Minister in the absence of the President of the Treasury Board. Is the government prepared to follow standard collective bargaining procedures and negotiate a total package of benefits with the postal unions rather than trying to force the unions leadership to go to the general membership with exclusively a wage proposal?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, because this is a very delicate matter and although I hesitate to say I will take it as notice, it is one of the questions I think I should take as notice so that I will not make any misstatement that might interfere in any way with the bargaining.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED ADOPTION OF MEASURES TO PROTECT CANADIANS AGAINST INCREASES IN FOOD PRICES

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to direct a question to the Minister of Agriculture.

Since grain prices are not included in the measures announced on October 13, and that as a consequence, they are exposed to changes on the free market of the Winnipeg and Chicago exchanges, has the minister considered taking the necessary steps to protect Canadian consumers from a possible rise in food prices?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all the materials used in bread making are fixed for five more years and they cannot change.

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EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—REQUEST FOR DEBATE PRIOR TO SIGNING OF AGREEMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. On Friday the Secretary of State for External Affairs said an agreement with the Republic of Korea concerning the sale of a Canadian nuclear reactor would be tabled in the House. Since we will then be faced with a *fait accompli* on an extremely serious matter that a host of experts, including General E. L. M. Burns, have warned the government against, what steps will the government take to bring a provisional agreement before the House for debate so that the full scope of the reasons Canada should not take this action can be aired before a militaristic repressive regime is helped by Canada to get nuclear technology?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I have heard the hon. member's point of view and I will convey it to the minister. It would not be in accordance with the responsibilities that are laid upon the government to bring international treaties before parliament before they have been signed.

Mr. Roche: Mr. Speaker, a supplementary question. I should like to ask the Acting Secretary of State for External Affairs if the government has studied the representations made on this subject by the International Commission of Jurists and the International League for the Rights of Man which document the repression now being carried out by the Republic of Korea against its own people and which suggests that the signature of that country on a nuclear safeguard agreement would be worthless.

Mr. Sharp: Mr. Speaker, these views are familiar to the Department of External Affairs and I would assume that the minister has been advised.

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NORTHERN AFFAIRS

DATE OF INTRODUCTION OF OIL AND GAS REGULATIONS FOR NORTHWEST TERRITORIES

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the minister's comments, made as long ago as May of this year after four years procrastination, that new oil and gas regulations would be introduced without delay, and in view of the fact that there has been a drastic cutback in oil and gas exploration particularly in the Mackenzie Delta area, can the minister indicate when he intends to bring forward these oil and gas regulations?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is our hope that we will bring them forward this fall.

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POST OFFICE

STRIKE OF INSIDE WORKERS—LEGAL RIGHT OF BUSINESSMEN TO OBTAIN DAMAGES

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a question for the Postmaster General. Could the minister indicate to the House whether he believes that those whose mail is tied up—particularly small businessmen—have any rights to obtain damages through the courts as a result of the current strike?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I could not give legal advice. The men are on strike legally. In all legal strikes, some segment of society unfortunately gets hurt. We tend to forget that sometimes the workers themselves get hurt. I have checked out the impact of the strike with the 20 per cent of the industries and Canadians who account for 80 per cent of the volume of the mail. There will be some people hurt in the strike. Unfortunately, some are small businessmen. On the other hand, there are many benefiting by providing a substitute service. It is hard to tell the impact. Any mail that is in the post office at the moment and has been sorted by CUPW members will be handled by the letter carriers' union. We have this assurance. However, in a day or two it will be unrealistic to presume there will be any more such mail available. I hope for the sake of small businessmen the negotiations resume fairly soon and that the strike is brought to an end. In the meantime, we are prepared to allow it to run.

● (1450)

STRIKE OF INSIDE WORKERS—IMPACT ON ISOLATED NORTHERN AREAS

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is to the Postmaster General. The isolated communities of northern Canada, as I am sure the minister is aware, depend entirely on the mail as their only means of communication. Can the minister guarantee that people living in these isolated areas will not suffer from loss of livelihood due to this national emergency? I want to assure the Postmaster General that my offer to carry the mail to the Churchill constituency still stands.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, that might be considered as some sort of strike breaking. I cannot guarantee that there will be no harm done as a result of the strike. I think we are forgetting that I did not call the strike and the union did not have to go on strike, even if they were in a strike position and did not necessarily agree with my particular tactics. It is important to remember that the strike was called by the union, not by the post office. There was no lockout. The responsibility for the effects must be placed exactly where it should be, on those who called the strike.

Oral Questions

NATIONAL SECURITY

ALLEGED USE OF CANADIAN TERRITORY BY FOREIGN DIPLOMATS TO AID REVOLUTIONARIES—REQUEST FOR STATEMENT

Mr. Tom Cossitt (Leeds): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I hope I may be permitted to ask a question of the Acting Prime Minister, with a short supplementary. First, how recently has the government been advised by the Royal Canadian Mounted Police concerning whether Canadian territory has been used frequently by certain foreign diplomats for co-operation with persons in the United States dedicated to revolutionary activities against legal governments in third countries?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I find it very difficult to answer that question. I think the hon. member should be more specific.

REASON FOR EXPULSION OF CHINESE DIPLOMAT

Mr. Tom Cossitt (Leeds): Will the minister confirm that Chinese diplomat Kuo Ching An was expelled from Canada because he delivered to representatives of Philippine revolutionaries in the United States, one of whose leaders has been Sergio Osmena, Jr., a sizeable sum of money to promote trouble in the Philippines, particularly to promote the assassination of Ferdinand Marcos, the president of that nation. Also, will the Acting Prime Minister make public all government files in this regard to prove the accuracy of the answer he will now give the House?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the answer I will now give the House is that security matters are never discussed in this House if I can help it.

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REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF CHANGES IN PROGRAM IN VIEW OF CHANGES IN ECONOMY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the changed economic climate and rules, will the minister be proposing policy variations to the DREE programs to adapt to these changes? Also, will he be speaking, either during the course of the debate on Bill 73 on these matters or on motions in the near future?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can tell the hon. member that of course all government departments are required to help enforce the measures the government announced last week. As for my department, I am happy to inform him that our programs will keep on developing and I am hopeful that in the next few months, we shall even be able to experience further expansion of the department's activities, since our work is particularly aimed at the areas in need of government assistance and I shall make it a point to bring the representations of the hon. member and many others to the attention of the cabinet.

[*English*]

Mr. MacKay: Mr. Speaker, I want to thank the minister for his answer. It is reassuring. I bring to his attention that at the time DREE was conceived, there were in this country clearly defined areas of economic stress. Under the present climate, the whole country is in that category. Will the minister again reiterate that he does have some specific initiatives to take so that DREE will continue to have some priority in the scheme of things?

[*Translation*]

Mr. Lessard: Mr. Speaker, I must again assure the hon. member that my department has a very specific role to play in that it deals specially with the areas in need of greater help than others. Canada as a whole may be in difficulty but some areas, and particularly the one he represents, need special attention from the government and the department that I head. Its activity will be directed towards those regions. I can again assure the hon. member that we will not lose interest in the underdeveloped areas of Canada. If it is deemed that new programs are needed in co-operation with provincial governments, similar to the one now being implemented, we will doubtless undertake them as soon as possible.

* * *

[*English*]

PUBLIC SERVICE

SUGGESTED DENIAL OF RIGHT TO STRIKE—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Acting Prime Minister. It arises out of answers given to members of this House today in response to questions about the present postal strike. It is the feeling of many innocent Canadians that they are entitled to a postal service, that it is an essential service and that with the present arrangement, we are only giving lip service to the bargaining process and then legislating various groups back to work through various pieces of legislation. Is the government now seriously considering that the right to strike in essential services is not workable and that an alternative to the present practice will be brought forward for debate in this House in the near future?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. We have no intention of bringing forward such legislation of a general character. Whether at some time in the future it will be necessary with regard to particular groups, that is a matter to be determined in the future. At the moment, we have no such general legislation in mind.

POST OFFICE

GOVERNMENT POSITION ON PERMITTING COMPETITIVE SERVICES TO BE ESTABLISHED

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is supplementary both to the last and the previous one, but I direct it to the Postmaster General. Since the government is prepared to break the postal monopoly given to it by law to secure the interests of pensioners and family allowance recipients during the mail strike, will it also allow other competitive service similar to the post office to operate, bearing in mind the needs of businesses and others dependent on first class mail?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I thank the hon. member for the last few words, first class mail. The only monopoly we have is in that area. I can assure the hon. member that we have a lot of competition in all other areas such as parcel post and second class mail. Fortunately, all family allowance cheques and all senior citizen cheques have been delivered. None are due until late November. Arrangements will be finalized by that time and delivery of November, December, January, February, and possibly March will all be made at the same time.

With regard to the question of whether we will entertain competition in first class mail, it will depend on whether that competition is prepared to handle the less profitable routes such as, shall we say, from Ottawa to the constituency of the hon. member in which case we would be glad to give them that particular area. Finally, I think it is equally important, and I notified the House of this before, that the main issue in the strike was a question of automation and that particular problem was solved some time Saturday.

ROUTINE PROCEEDINGS

● (1500)

[*English*]

EXTERNAL AFFAIRS

TABLING OF EXTRADITION TREATY WITH UNITED STATES, AND INTERNATIONAL AGREEMENTS

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, on behalf of the Secretary of State for External Affairs, I have the honour to table, in both official languages, the following documents in accordance with Standing Order 41(2): (1) Prior to ratification, the new extradition treaty with the United States of America which was signed at Washington on December 3, 1971, and the text of which was subsequently amended by an exchange of notes on June 28 and July 9, 1974. The treaty is basically a consolidation in one text of the present network of some half-dozen treaties dating back to 1842; (2) the texts of 32 international agreements.

Order Paper Questions

CANADA ELECTIONS ACT

MEASURE TO PROVIDE DRIVE-IN POLLING STATIONS

Mr. G. H. Whittaker (Okanagan Boundary) moved for leave to introduce Bill C-413, an act to amend the Canada Elections Act (drive-in polling stations).

He said: The purpose of this bill is to provide, in every electoral district in which there is at least one incorporated city or town having a population of 15,000 or more, that the returning officer establish a drive-in advance polling station for the use of electors who are aged, infirm or approaching termination of pregnancy. This bill would enable such electors to cast their votes in secret, without the aid of a proxy.

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

QUESTIONS ON THE ORDER PAPER

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,231, 3,039 and 3,116.

[*Text*]

GRANTS—GENERAL DYNAMICS CORPORATION

Question No. 1,231—**Mr. Hogan:**

1. Is it the intention of the government to consider the repurchase of Canadair from the General Dynamics Corporation Ltd. (USA)?

2. (a) What were the terms of the contract of sale of Canadair by the government to General Dynamics Corporation Ltd. immediately after the Second World War (b) what were the names of those who negotiated the sale (c) what were the details, such as the sale price, assets, etc.?

3. What was (a) the value of government grants of all types (b) the programme under which grants were given to General Dynamics Corporation Ltd. since the date of sale of Canadair until the present day and the value of these grants specifically marked for Canadair Ltd.?

4. (a) What is the actual price at which the government intends to buy back Canadair and the legislation under which it is to be repurchased (b) what are the assets of Canadair and its sales potential in light of the deteriorating market for new aircraft of all types?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and National Defence as follows: 1. The signing of an Option Agreement on January 15, 1975, indicated the Government's intent to consider the purchase of Canadair from General Dynamics.

2. Early in 1947, the Electric Boat Company of New Jersey was authorized to acquire the bulk of the Canadair Limited stock subject to the following terms: (1) Electric Boat to provide Canadair Limited with $2,000,000 working capital. (2) The War Assets Corporation to grant Canadair Limited a lease with option to purchase with respect to the plant, equipment and aircraft tooling for $3,500,000. In 1949, Canadair Limited purchased additional land, buildings and equipment from the Crown for $3,800,000. In 1955, Canadair Limited purchased the balance of the Crown assets for $11,500,000. All these transactions were on the

basis of a lease with option to purchase and in each case the option was exercised. Among the principals in these transactions were: C. D. Howe, Minister, Munitions and Supply; J. H. Berry, President, War Assets Corporation; E. F. Hutton, Representing Electric Boat and the founder of General Dynamics, J. J. Hopkins; D. A. Golden, Deputy Minister, Department of Defence Production; H. O. West, President Canadair. Limited; J. G. Notman, President, Canadair Limited.

In so far as the Department of Industry, Trade and Commerce is concerned:

3. (a) General Dynamics Corporation Ltd., nil; Canadair, $68,447,953.

(b)	General Dynamics Corporation Ltd.	Canadair
DIP Contribution	Nil	$63,140,050.
PEMD Contribution	Nil	$ 57,903.
PAIT Contribution	Nil	$ 5,250,000.

In so far as the Department of National Defence is concerned:

3. (a) The value of all types of DND grants is contained in the annual DND estimates and Public Accounts of Canada. (b) Under the terms and conditions of the Defence Industrial Research Program the value of the grants for each fiscal year in question was as follows:

Year	Amount	Number of Projects
1962-63	$ 2,000	2
1963-64	71,00	6
1964-65	118,000	7
1965-66	43,000	7
1966-67	47,000	3
1967-68	194,000	5
1968-69	196,000	6
1969-70	160,000	6
1970-71	235,000	7
1971-72	232,000	6
1972-73	175,000	7
1973-74	208,000	7
1974-75 (estimated)	216,000	7

4. (a) As announced at the time the option was signed, the maximum budgetary outlay required for the purchase of Canadair is not expected to exceed $38,150,000. An allowance was made for the purchase of Canadair under Vote L-20 which was approved in the 1975-76 Main Estimates for the Department of Industry, Trade and Commerce. (b) The assets of Canadair covered by the option agreement are all the assets except Canadair's investment in the Asbestos Corporation Limited. They include land, buildings, machinery, equipment, designs, copyrights, patents and so forth. One firm of appraisers estimated the total value of all such assets would amount to $103 million after deducting outstanding liabilities. The Government is currently examining Canadair's sales potential together with new initiatives designed to help this company achieve long run viability.

[Mr. Sharp.]

MR. RICHARD ARNOLD IRWIN—DIRECTOR OF WARNOCK HERSEY INTERNATIONAL

Question No. 3,039—**Mr. Huntington:**

Since 1968, has Mr. Richard Arnold Irwin, Director of Warnock Hersey International been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): No.

MEETING OF MINISTERS AT MEACH LAKE

Question No. 3,116—**Mr. Clark (Rocky Mountain):**

Did Mr. Michael Pitfield or any other individual who was not a Member of the House of Commons or the Senate participate in the meeting of Ministers at the National Capital Commission property on Meach Lake, Quebec on September 17, 1975 and, if so, what was their (a) name (b) position (c) reason for attending?

Hon. Mitchell Sharp (President of the Privy Council): The inner workings of cabinet, cabinet committees (including membership therein), and the services rendered by support staff are traditionally considered confidential matters. Canadian precedents in this regard flowed from British practice over many years. In response to a question in the House the Canadian Prime Minister of the day on February 4, 1960 in part replied: "The means by which the cabinet conducts its business are traditionally regarded as its own domestic affair, and questions on the subject are normally neither asked nor answered." A detailed answer to the question would be a departure from the traditional position that has always been taken that meetings of the cabinet are private and no information is given concerning attendance.

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QUESTION PASSED AS ORDER FOR RETURN

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker if question No. 2,400 could be made an order for return, this return would be tabled immediately.

[*Text*]

RESEARCH ON FOETUSES

Question No. 2,400—**Mr. Beatty:**

1. Does the government fund or in any other way support research on live or dead foetuses and, if so, in each case (a) what is the nature of the project (b) who authorized government participation (c) who is responsible for undertaking such project?

2. What is the government policy with respect to scientific research on live foetuses where such research might affect the life or health of the foetus?

Return tabled.

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the other questions be allowed to stand.

Mr. Speaker: Are the other questions allowed to stand?

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that all notices of motions be allowed to stand.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

[*English*]

Mr. Cossitt: Mr. Speaker, I realize that hon. members opposite would feel very badly if I were to let a day go by without calling attention to the fact that question No. 1,232, asking for comprehensive details in connection with the swimming pool at 24 Sussex Drive, has never been answered. It is a very basic question and asks for the names of the donors, if indeed such donors do exist, and the amounts of money they have given. It further asks for the names of the designers of the pool and for various other technical details having to do with this somewhat peculiar enterprise which has been hidden, and which continues to be hidden, from the Canadian people.

I feel that parliament has a right to know about anything that goes on on public property, and 24 Sussex Drive is public property: it is the Prime Minister's official residence, but it belongs to the people of Canada. I fail to see, therefore, how the government can continue to abstain from answering legitimate questions about an enterprise which has been conducted on public property. Persons unconnected with the government have gone on to that property and dug a hole in the ground and taken part in a sizeable enterprise, apparently without permission from anyone, according to the Prime Minister, and I think it is about time the government put up or shut up about this smelly matter.

Mr. Speaker: Order of the day.

Mr. Lambert (Edmonton West): Mr. Speaker, before we embark upon a continuation of the debate on Bill C-73, I would respectuflly draw to your attention a major deficiency in the bill. The bill was distributed to hon. members without bearing a number; in other words, at the time authorization was given for first reading it did not carry a royal recommendation. It was only by delving into *Votes and Proceedings* that I was able to examine the recommendation which was made and compare it with the provisions in the bill. This work having been completed, I wish to draw to Your Honour's attention something which goes to the root of the bill and which is out of keeping with the royal recommendation.

Mr. Speaker: I wonder if I might interrupt the hon. member for Edmonton West (Mr. Lambert). I had intended to deal with the question of privilege raised yesterday by the hon. member for Scarborough East (Mr. O'Connell).

Mr. Lambert (Edmonton West): That is fine, Mr. Speaker, but orders of the day were called, and that is this bill.

Mr. Speaker: The hon. member is perfectly correct, I did call orders of the day; but before the bill was announced I had intended to deal with the question of privilege raised yesterday by the hon. member for Scarborough East.

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PRIVILEGE

MR. O'CONNELL—PRESS PUBLICATION OF CONFIDENTIAL DRAFT REPORT OF JOINT COMMITTEE ON IMMIGRATION POLICY—SPEAKER'S RULING

Mr. Speaker: Yesterday the hon. member for Scarborough East (Mr. O'Connell) raised a question of privilege concerning the publication of the draft report of the Special Joint Committee on Immigration Policy. I wish to reiterate at the beginning of my observations today the point I made yesterday which was referred to by all who took part in the discussion, namely, that the House guards the confidentiality of draft reports of this nature at this stage of a committee's proceedings, and the publication of such a report would raise the strongest suggestion that some act had taken place which offended the privileges of the House.

The difficulty about the motion before us is not that it fails to deal with what appears to be a well accepted question of privilege in general terms but, rather, that it fails to be sufficiently specific. I refer to the absence from the motion of any allegation of misconduct which is specifically complained of in terms of a breach of the privileges of the House. Has there been an action by the publishers of the newspapers involved, or by the radio or television station, which constitutes a breach? The motion does not say. Has there been an action by a member of the House of Commons or by a member of the other place? The motion does not suggest it. Has there been an action by a staff member, perhaps, here or in the other place? Again, the motion does not suggest it. In other words, it seems to me that what the motion seeks is not an investigation of a prima facie case of privilege but, rather, an investigation to determine whether a prima facie question of privilege exists or whether a substantive motion would be in order.

There is a second difficulty: it is that the motion, if allowed, would lead to one committee of the House of Commons investigating the work or the operations of another committee, and that is a situation which has been carefully avoided in the past, and for good reason. More-

over, the fact that in this case a committee of the House of Commons would be investigating the work or operations of a joint committee makes it even more difficult and, from a jurisdictional point of view, more awkward.

The question may be asked: If this does not constitute a question of privilege, is the House without a remedy in these circumstances? I think all hon. members would be quick to agree that such is not the case. In the first place, a substantive motion can be put forward for an investigation, presumably by joint action in this and the other place. Since it would not, in those circumstances, be under the restriction of privilege, it would likely have more freedom from a procedural point of view.

Furthermore, it seems to me that there might not be great difficulty in the committee itself, because since it is a joint committee of both places it can, if it wishes, investigate further into this mishap and may proceed to do so. Of course, I am referring to hypothetical circumstances now. If there were a difficulty posed by the terms of reference in connection with this special joint committee, it seems to me, from the attitude expressed from all sides of the House yesterday, that there would be little difficulty in having those terms of reference expanded if, indeed, that were necessary. I would think there would be considerable question as to whether it would be necessary for the committee to obtain extended terms of reference if it wished to inquire into the circumstances surrounding the leak of a confidential report. However, I put that forward only as a suggestion which hon. members may wish to consider.

As I say, because the motion lacks precision and specific detail alleging conduct which constitutes a breach of the privileges of this House, from a procedural point of view—while it deals with a point which in the abstract or in general terms certainly touches upon the privileges of the House—I feel the motion is not sufficiently specific to enable the Chair to grant a question of privilege at this time.

Orders of the day. The hon. member for Edmonton West (Mr. Lambert).

● (1510)

Mr. Lambert (Edmonton West): Mr. Speaker, may I go to another point of order which does not touch upon the privileges of the House and perhaps will not present Your Honour with quite so much difficulty. The point I wish to make is that the royal recommendation appearing in Bill C-73 and in *Votes and Proceedings* of October 16 reads:

> His Excellency the Governor General recommends to the House of Commons a measure to provide for the restraint of profit margins, prices, dividends and compensation in Canada and to provide for the measure to expire on December 31, 1978.

I would draw to your attention clauses 26(2) and 46(2). Clause 26(2) provides for four-year appointments, which are far beyond the termination date of the bill as set out in clause 46(2). May I put clause 26(2) on the record:

> The chairman of the appeal tribunal shall be appointed to hold office during good behaviour for a term not exceeding four years but may be removed by the governor in council for cause, and each other member shall be appointed to hold office during pleasure for a term not exceeding four years.

The termination date of the bill, under clause 46(2), clearly being December 31, 1978, this House has no authority to make any appointment beyond December 31, 1978, of any member of the tribunal. The limitation of expenditure, as set out in the recommendation of the governor in council, is very clearly and flatly that the measure shall expire on December 31, 1978. Incidentally, clause 46(2) authorizes this House, by regulation prior to the expiry of the bill in 1978, to continue the measure in force as specified in an order of the House. But that provision is not in the recommendation.

I grant you, Mr. Speaker, this is a very technical point, but again I bring to your attention, as I have with budget bills, that the government must follow, in presenting its legislation, the limitations of the authority it seeks. I would therefore ask Your Honour to take this point under advisement and, if you are persuaded by my argument, to direct that the offending clauses be amended to conform with the recommendation or that a new recommendation be brought in in accordance with the intent of the bill as presented. It is either one thing or the other; we cannot have this bastard arrangement that exists in the present bill along with the recommendation that is on the order paper and which is also part of the bill.

Mr. Sharp: Mr. Speaker, the hon. gentleman for Edmonton West (Mr. Lambert) has raised another technical question I agree with him that the point should be clarified, and I think the suggestion he has made that it be clarified by action other than withdrawal of the bill is the kind of action that I hope you will take if you find there is substance to the point he has raised.

May I draw Your Honour's attention to clause 46(2) and (5) of the bill. Subclause (2) provides:

> This act expires on December 31, 1978, or on such earlier date as may be fixed by proclamation unless, before December 31, 1978, or any earlier date fixed by proclamation, an order in council is made to the effect that this act shall continue in force for such period of time as may be set out in the order in council.

Subclause (5) provides:

> Failure of either House or both Houses of Parliament to resolve that an order in council referred to in subsection (2) be approved does not affect the validity of any action taken or not taken in reliance on the Order in Council prior to the conclusion of consideration thereof pursuant to subsection (3).

Clause 26(2) provides for a term of office not exceeding four years. I would submit that if in fact the governor in council were to make an appointment for four years and then later it was found desirable not to extend the act, then at least that appointment would continue to be valid.

As to the other point, whether it exceeds the royal recommendation, I suggest that is a very technical point. Indeed, if I were to follow the line of the hon. member for Edmonton West, I might argue that the final words, which provide for the measure to expire on December 31, 1978, are insufficient because there is in fact provision in the bill for an extension of the time by an order in council that shall be considered in this House and approved or disapproved. So I suggest, Mr. Speaker, that this is a very technical point. I would argue that the bill is within the general ambit of the royal recommendation.

Mr. Speaker: As usual, the hon. member for Edmonton West (Mr. Lambert) has raised a very interesting point. Use of the words "not exceeding four years" in clause

26(2) may be the key to this question. In any case, I propose to take it under consideration. It would seem to me that if what appears to be a power in clause 26(2) is in conflict with the clause bringing the act into expiry on December 31, 1978, then since the power given under clause 26(2) is not a power to appoint for four years, but for a term "not exceeding four years" it may well be, upon reflection, that clause 26(2) is circumscribed by the later clause 46, the provision regarding expiry of the act. However, I will take the matter under advisement.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Tuesday, October 21, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1520)

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, the debate on this piece of legislation is certainly one of the most momentous in which I have had the opportunity to participate since coming to parliament. The actual and potential implications of this legislation are great indeed. It is probably the most momentous legislation that has come before this House since the Second World War.

I was rather interested to hear the government House leader today indicate, in response to a question from the floor of the House during the question period, that there is some hope this legislation will, as he termed it, be speeded through. It seems to me that when we are involved in legislation that does have this type of implication for all the people of Canada, there should be the fullest opportunity possible for debate in the House of Commons and parliament. That is what parliament is for, to look through the legislation presented by the government, especially important legislation of this kind, and to consider the ramifications so that we may in fact put through the best possible type of laws.

Let me suggest to the government House leader that if he is in fact sincere and earnest about getting this bill through quickly, he might consider giving some direction to his party whip. I notice that as many members on the government side as on the other side, if not more, have spoken on this piece of legislation. What they have contributed to it, I will leave to the judgment of those who are listening. Nonetheless, many people on the government side have taken part; I think certainly more than from our side. We are not in the process of delaying this legislation. We are trying with all the sincerity and earnestness at our command to bring to the attention of the government some of the pitfalls and shortcomings we see in respect of this particular bill.

The other aspect I think I should mention at the outset is that the bill contains provision for the measure to be effective retroactively. That is to say, the Prime Minister (Mr. Trudeau) in his speech on Thanksgiving Day made it quite clear that this bill was to come into effect on that particular date. I suggest that Thanksgiving Day will have the same sort of infamy, possibly, as Valentine's Day had in another context. I can only say that the Prime Minister affected my digestion at the time he appeared on nationwide television.

The fact is that the Prime Minister should look at this particular legislation with great care and concern. The potential implications of this bill mean the imposition of a system of guidelines that will have application to all Canadians. The Prime Minister in his Thanksgiving Day address made this point very clearly when he stated:

> And I am telling you tonight that this program must work, because if it does not, the government may be forced to impose mandatory, comprehensive, all-embracing price and income controls upon every man and woman in Canada.

He reiterated this in the course of remarks he made in western Canada, in Winnipeg and Assiniboia, just yesterday when he used words to the effect that it was his intention and the intention of his government to make sure that these particular guidelines would have universal application to the people of Canada. I suggest this rather thinly-veiled threat states clearly this government's intention in due course to take all steps within its power to intercede in the affairs of everyone in this country in its so-called program of guidelines. The Prime Minister and other government spokesmen continue to refer to guidelines, but I think there can be little doubt that we are entering into a period during which the government will be doing everything possible to impose mandatory controls.

Reference was made again during the question period today to the constitutionality of this legislation. It remains to be brought forward, on the part of the government, precisely how it envisages the introduction of these guidelines so they will have application to every man and woman, according to the Prime Minister, in this country. I think it is particularly incumbent upon the Prime Minister to indicate in clear, unequivocal terms that there is a national emergency and as a consequence we can look to this bill as being absolutely necessary. There has not been, in my estimation—and I hope to develop this—the type of candour that one might have expected from the leader of this country in relation to economic matters and, in particular, in relation to the imposition of controls.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I do not purport to be any sort of authority on constitutional matters, but I would find it most difficult, if I were in the government's position, to rely upon the advice of constitutional authority in this particular instance. One has to rely on peace, order and good government under our constitution. The government must look very carefully at its future steps and the threat the Prime Minister has made about the imposition of these controls and the other provisions of this bill. The government must look at its constitutional position in this regard.

It seems to me that aside from that—and the government is now embarking upon negotiations, commencing today, with the provinces—there are substantial obstacles that will have to be overcome no matter whether the government decides it is constitutional. The very least it will have to do—for a change, I would suggest—is deal with the provincial authorities in a frank and candid manner. I think that is the government's intention, quite frankly. I believe the government is going to try that particular approach to see if it is possible to come down with some type of agreement with the provinces which will have the effect of a penetration of the provisions and principles outlined in this legislation to all people, whether they are under provincial jurisdiction or otherwise.

The potential of this bill for government intervention into the activities of every man, woman and child in our country is, as I have stated, very great. I say this having regard to the background of the growth of substantial intervention by the government in the affairs of its citizens which has taken place so rapidly over the past few years. The legislation before us is rather typical of the kind of legislation we see presented by governments these days, under which some wide-ranging, general principles are stated in the bill with rule-making, enforcement and administration of the legislation being left to order in council.

To summarize this bill in very brief form, the government asks for the right to fight inflation, and concurrently asks for the right to legislate by order in council in respect of areas and matters which the government—I underline the word "government"—deems appropriate for this purpose. We have a tendency these days to accept this kind of legislation, not only in respect of items of minor consequence but in areas of general application across our country. The argument, on the one hand, is that in these modern, complex and difficult times governments must rely more and more on the delegation of power to administrative tribunals and bodies, but at the same time we are involved in an era of participatory democracy under which, apparently, the will of the people will be clearly enunciated in parliamentary terms.

The problem with this tendency which we have experienced, that of government by regulation, is that it appears to be irreversible and—most tragically, in my view—it runs in direct contradiction to the concept of individual rights and meaningful participatory democracy by the average citizen, through parliament. Therefore, when we have legislation such as the bill before us, involving as it does the potential for such long-term, arbitrary regulation and control essentially through an administrative tribunal, one wonders whether when the people of Canada collectively raise their heads to question government control they will discover that the road back to meaningful control by the people over the government will be most difficult if not impossible.

● (1530)

This government, in my view, is not inclined to take stock of its approach to government by delegation. I have the distinct impression that it finds this method of operation convenient and easy. The government appears to adopt the attitude that it is politically expedient to neutralize major problems by establishing an administrative body and turning the problem over to that body for solution. The political result of such action is to dissipate pressure on the government to take difficult and meaningful legislative action to deal with the problems of our day. As Members of Parliament, we have often heard our constituents who seek redress of administrative decisions make statements of utter exasperation when it becomes clear to them that their rights are governed by arbitrary, bureaucratic decision with no right of appeal.

By this legislation, this government is therefore introducing its most massive delegation of authority for what I consider to be a prolonged and unnecessary period of time. If there was ever a situation where there should be the right of parliament to review a program or specific legislation, this is the time. As I have stated, this legislation represents the type of philosophic approach that the government takes to any problem. The legislation seems to be the sum and substance of the government's meaningful intentions, and it seems to me that there are serious omissions in the over-all program.

While we are now getting details of the negative side of the government's policy consisting of controls on wages and prices for an undue period of time, there is the absence of any statement by the government as to the positive fiscal and monetary policies it will be adopting immediately and over the long term, which in my view are the really important parts of any meaningful attack on inflation.

What are the monetary policies of this government, and are they to be clearly stated and put into effect? What priority of spending will be proposed so that parliament can assess how much money will be available to various sectors of the economy? What projects will be given priority, and what projects will be removed or relegated to a secondary priority? What clear statement have we had with respect to the government's policy concerning interest rates, government bond issues and regulations governing banking?

Fiscally, do we have any idea at all what the government has in mind in the field of taxation to deal with its attack on the inflationary problem? What has been said by the government to give anyone any confidence with respect to meaningful efficiencies and reductions in government spending? The proposals on prices and income control put forward by the Leader of the Official Opposition (Mr. Stanfield) in the last election were only a small part of the total program announced to increase productivity, restore economic responsibility in government and fight inflation. This part of the program was, hon. as members will recall, strongly criticized by the Prime Minister and the Liberal party even though the proposed controls would be put in place for only a minimal period of time, primarily to attempt to break the inflationary psychology we are experiencing in Canada.

Leadership is sorely needed in this country with respect to our economic situation. I feel that we in the opposition have the responsibility to stand up against inequity in the program, to obtain reasonable fiscal and monetary policies from the government, and to bring unrelenting pressure on the government to re-examine fundamentally its own

spending program. People in Canada, by and large, are receptive to a reasonable attempt by the government to give economic leadership. I suspect that if it were possible to take a full survey of public sentiment at this time, the government would find the majority of Canadians responsive to a reasonable program to attack inflation. They are in fact looking at this particular legislation with a good deal of hope and expectation.

I suggest that the bill before us today contains some very serious shortcomings. I have enunciated some of the thoughts which I have. I do not think the bill itself will be sufficient to give us any type of meaningful attack on the problem of inflation. Therefore, it is my view that there will have to be fundamental amendments to the legislation if there is to be any hope of public acceptance of the concept of controls, including a review of the whole program of controls outlined in this bill. This legislation in its present form causes me the greatest concern in terms of the prospect of the restriction of freedom of the individual.

Another aspect of the circumstances leading to the introduction of this bill causes me some concern. The Prime Minister, for reasons known only to himself, chose to make the announcement of his government's program to attack inflation on Thanksgiving Day. Why the Prime Minister made this assault on our digestion on that particular evening is difficult to understand. The program announced by the Prime Minister is a complete turn-about from the position the government took with respect to controls almost up to the time the program was announced. I think it is pretty generally agreed by most authorities on the subject that in order to have an effective system of controls there must be a high degree of public acceptance.

This principle is enunciated by people who were attached to the wartime prices and trade board during the Second World War. They state that their job was difficult even though there was at that time a compelling reason and high motivation. No less an authority than the husband of Beryl Plumptre, vice-chairman of the Anti-Inflation Board, was interviewed on television recently, and he confirmed that there must be something in the nature of general public co-operation. This point of view, no doubt, will be well made by Mrs. Plumptre, whose role, according to the Minister of Finance (Mr. Macdonald), will be to go out and sell the program with missionary zeal. I am sure that Mrs. Plumptre, having a direct relationship to the wartime prices and trade board, will have some thoughts on the difficulties of enforcing such a program as this even during wartime.

The performance of this government in connection with obtaining credibility for the program, up to this point in time in any event, has been less than satisfactory. The apparently sudden and instantaneous reversal by the Prime Minister on the question of controls will certainly have an effect on the credibility of the government's position with respect to its program. Accordingly, it seems to me that since the Prime Minister and his colleagues in cabinet have been speaking out so strongly against the program of controls up to very recently, there has not been the desired explanation by the government as to why it now expects Canadians to live up to its so-called guidelines.

This apparent lack of candour displayed by the government toward the Canadian people is even more surprising, in my view, when one considers the material filed by the Minister of Finance in the House of Commons on October 14, 1975, outlining the government's program with respect to inflation, including price and wage controls. This document was not a series of hastily drafted mimeographed sheets, but a slick publication, in both official languages, reminiscent of annual reports of large corporations or government departments and agencies. This makes one think that the document had been in preparation over a period of months as opposed to weeks.

In order that any program of controls can be successful, it is absolutely essential that the government be frank and candid with the people of Canada concerning our economic circumstances. Notwithstanding the position of the Minister of Finance—and I am sorry he is not in the House today because, as I understand, he is with the representatives of the provinces; I wanted to address these comments to him in view of some of the statements he made to the House with respect to the program—I trust he will show restraint in his approach to parliament during the debate on this program and will not indulge in a provocative and argumentative debate. This type of debate will do little good in convincing Canadians of the necessity for any program of controls and, in the long run, will tend to defeat the kind of national acceptance required for the implementation of such a program.

● (1540)

Quite frankly, the performance of the government up to this point has made me somewhat nervous. The public perception of the program appears to be that it has been hastily put together—although I am not certain that this is necessarily the case, in view of the material being put out by the minister and the government—and this view has been confirmed by the unfortunate press conference held by the nominees for the two top jobs on the Anti-Inflation Board. Let us, by all means, have openness of information as to what the Anti-Inflation Board is doing, but I hope the first directive by the cabinet to the board will instruct the chairman not to say or do anything further until he is adequately prepared.

I also have the belief that in the months ahead the government must periodically, through parliament, keep the Canadian people fully advised, with all the candour it has at its disposal, of the economic circumstances from here on in. If our economy is in as bad a shape as the government now says it is, this information must be forthcoming so that the general public can, in fact, pass judgment on the necessity of instituting and then continuing a program of wage and price controls.

I am not altogether hopeful that we can expect candour from this government in view of the performance we have seen over the past year, including that displayed in the period during the last election. Hon. members on the government side have not in the past few days been giving a good example to the cabinet. They have been standing up one by one, in an aura of innocence that can only be described as cherubic, to state that they have now come to the realization that inflation is the number one problem in the country. There is no trace of embarrassment in their speeches, yet this problem has been plain and clear for

anyone to see, and has been with us over the past few years rather than the past few days.

It may be a partisan thought on my part, but I wonder how that scantily clad girl who was depicted in Liberal ads during the last election campaign, sitting on large blocks of ice and shivering over the prospect of short-term controls is going to survive the government's announced long-term controls. This government has a big job to do in selling its program. I hope that the government and members supporting it will come to realize that unless they are prepared to deal honestly and fairly with the public, including the immediate presentation of fiscal and monetary policies to deal with the fundamental or root causes of inflation, they will have a very difficult time sustaining a program of controls—and will do a disservice to our country.

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise with mixed feelings to take part in this debate which is one of the most important debates we have had in the House of Commons for a good many years. It is interesting to see, after all the talk of price and wage controls and price guidelines which took place in the 1974 election, Liberal after Liberal literally reversing himself in the debate which we have had in the past week.

An example of that was the speech given by the Minister of Agriculture (Mr. Whelan) last night in the House in which he contradicted himself completely. Basically, what he said was that the Conservative and Liberal programs are very different and cannot really be compared. It seems to me that the object of the game, so far as the Liberal party is concerned, is to stay in power. So far as their policy is concerned, their principles are very few and far between. They use everybody else's ideas, or they try to ignore the problem in the hope it will go away or solve itself. If it does not, they often act in a half-hearted manner.

I think we are all indebted to the Leader of the Official Opposition (Mr. Stanfield) who had the courage and foresight to conduct his campaign in the 1974 election on the platform of price and wage restraints. What has happened since 1974? The government's inability to act has made the problem of inflation in Canada even more urgent.

There are several aspects of the bill which the Conservative party will want to consider when it goes to committee. But first I should like to point out that the length of time during which these controls are to be in effect under the legislation is too long in the view of this party. Although there is necessity at present for controls so as to produce the psychological impact of dampening the inflationary spiral, if controls are left on for too long they will have a distorting influence on the marketplace. The longer controls are left on in an economy such as Canada's, the greater the distortions may become. There is that inherent danger in imposing them for a three-year period.

We on this side of the House urge the establishment of a full parliamentary review after one year. We feel that it is necessary to keep the public and parliament informed and, most important, to retain the confidence of the Canadian people, because this is what will be needed for an effective program of controls. So far as this legislation is concerned, it contains no provision for comprehensive reporting to parliament during the life of the program. Consequently, we call for a review not later than one year after the coming into force of the legislation.

We believe that the program set out by the government in the bill before us is fuzzy both in principle and in detail. A good many people in Canada believe that for a program of controls to be effective in this country, it must be decisive and clearcut and it must include all segments of the economy in the initial period. This program allows for exemptions, and certainly in the initial stages it does not apply equally to all interested groups and all segments of Canadian society. Because of that, there is the chance the program may become distorted or ignored by certain sectors of our society. We all know that the people of Canada must be persuaded to accept the controls and must realize that any kind of control or restraint program is not only good for them in the long run but is vital for the survival of our economy.

● (1550)

Clause 14 of the bill requires the Anti-Inflation Board to keep its findings secret. We realize that a program of this kind will only work if some confidentiality is observed, and we feel that the program will ultimately be successful if the public has confidence that the measures are being carried out in their best interests. Returning to what the public perceives in this legislation and whether it can feel the kind of confidence which is needed to carry out this kind of legislation, clause 14 certainly will not instil any great amount of confidence in the Canadian people. The government must do more than simply carry out an elaborate public relations program. This is really all that is being done.

The other day, in Winnipeg, the speech of the Prime Minister (Mr. Trudeau) to a group of businessmen was another shambles. It was a lecture in very basic economics. This approach will not be sufficient if this program is to be sold to the Canadian people and if they are to have confidence in it. If all they see is a high profile public relations kind of program, the public will become more and more skeptical of this program because they will not feel that the federal government, its ministers and the Prime Minister are completely behind the legislation.

Another area of concern in this legislation for the Conservative Party is the aspect of price controls applied domestically but not on imported goods. This could cause Canadian-produced goods to be sent out of the country and hence, if the program is not carried out properly, we could see shortages developing in certain segments of the economy. There will be a greater amount of record-keeping and this can certainly be expected to be time-consuming and costly. This will be so for small business which will ultimately have to bear more of the burden because of the way the legislation is drawn up.

It will certainly prove to be an unfair burden on companies of various sizes engaged in the same industry and in competition with each other, because of the nature of the legislation. In addition, in some respects it will be unfair, for the same basic reason, to various segments of labour. This is because, once again, the legislation does not lump everyone together and impose on the economy the same kind of control for a short period of time in order to move into this aspect of breaking the psychological expectation

with regard to inflation. If the government is not very careful, because of its long term of three years, this legislation could lead to something much more serious than double-digit inflation. If a program such as this is not very carefully monitored, explained and laid before the Canadian people on a continuing basis, it could move into the aspect of partial control of certain segments of the economy after the three-year period has elapsed.

Given its past performance, it is not easy to see how the Trudeau government can operate this plan without creating an enormous bureaucratic machine, populated by mini-czars with huge discretionary powers and faceless mandarins behind the scenes operating the program. Conversely, how will the government be able to dismantle this apparatus after three years in which, as is normal in the federal civil service, it will largely be occupied with expanding and perpetuating itself? We have seen enough of that taking place over the last 10 to 12 years.

I submit that the quickest way to stop inflation is for the government to stop redistributing national income faster than the economy is able to generate it. When we look at the books of the government, we see that two-thirds to three-quarters of government expenditures are for redistribution. Increased spending by the government in this area reflects the rising costs of provincially-administered medicare programs, hospitalization programs, unemployment insurance programs and regional development programs.

It is my contention that the government's plan will ultimately fail unless regulations that people live within their means are also carried forward by the federal government. I think that programs such as Information Canada must go. Flag-waving trips around the world certainly can be curtailed. Programs in the $100,000, $500,000 and $1 million range, which are not considered so by most Canadians but are considered by the government to be small programs, must be cut or curtailed. This must be done because the government must demonstrate that it is willing to combat inflation. Unless measures like these are taken, the program ultimately will not work.

Further, capital expenditures which can be cancelled or deferred, must be cancelled or deferred. As I mentioned before, re-examination, is necessary with regard to unemployment insurance and all forms of welfare programs. They must be reviewed very carefully and the government must begin curtailing these kinds of programs. For example, in the period 1971-72 we spent $750 million on the unemployment insurance program. In 1972-73 it increased to $1.1 billion. In 1973-74 it increased to $2 billion, and from March 31 to July 31, 1975, it was up an additional 43 per cent from 1974, to $2.1 billion. These social programs and redistribution programs must be looked at in the long term with a view to curtailing them.

I think it could be said, as a general, blanket statement that if the inflationary program of the government is ultimately to bring inflation in Canada anywhere near the rate the government is talking about, it will have to rearrange spending programs unless they are of top priority. This must be one of the central themes in the government's restraint program. If the government does not move on that basis, I think there is no doubt that the exercise we are going through now will only lead to worse inflation, possibly more unemployment and a kind of social unrest Canada has never seen.

The Prime Minister said that the wage guidelines will be applied to all employees in the federal service. He went on to say that growth in the size of the federal work force would be limited to that required to administer the guidelines, and some increases in law enforcement personnel. Finally, he said, and I quote:

—we'll eliminate or reduce spending in many smaller but separate areas that all add up. For example, strict economies will be imposed on the administrative housekeeping aspects of the government's business—

That is all well and good if the government carries this program through. The Prime Minister also said that in spite of these measures, government expenditures must be expected to further rise—

● (1600)

—if we are to continue to provide essential services such as cushioning Canadians against part of the increase in the cost of imported oil, protecting the aged and others living on fixed incomes against some of the effects of inflation and continuing to provide assistance to the unemployed. Programs such as these ... are the cornerstone of the economic and social policy of the government—

That is precisely the problem. These programs were pursued to such an extreme that the only way their cost could be covered was by expanding the money supply at an inflation-inducing rate. It is no coincidence that the purchasing power of the dollar has been halved over the ten-year period during which the growth in the money supply was twice the rate of real growth in the economy. It is my contention that we will continue to have inflation until those programs which are "the cornerstone of the government's economic and social policy" are also brought within our means.

In the initial period controls will, hopefully, cut back on the excesses in both prices and the wages for which people are asking. Certainly, that is the whole purpose of the program. In the interim period they will, hopefully, exercise some general moderation in regard to expectations. All this is necessary to the abatement or slowdown of inflation. What remains in doubt, however, is the extent to which the mainspring of inflation—which is government demands on the economy to support programs in excess of the economy's ability to pay, without resorting to inflationary monetary supply increases—is unwound or scaled down within the next one to three years.

In conclusion, Mr. Speaker, I would like to bring to the attention of the House the fact that the announcement of controls came on the thirteenth day of the thirteenth month after parliament met for the first time following the 1974 election. One need not be superstitious to see the significance of this move. We can only hope that the government will put some teeth into this anti-inflationary program. We in this party are ready to support the legislation on second reading and refer it to committee, where we hope to see some amendments which will enable us to bring inflation in Canada down to an acceptable level.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, on December 24, 1970, the Prime Minister (Mr. Trudeau) stated:

There is no more inflation in Canada.

Now in October 1975, that is five years later, inflation is worse than ever which means that the Prime Minister was entirely mistaken and time will also show that he was entirely mistaken when he announced the steps giving rise to Bill C-73.

In 1974, the price of bread increased by 26 per cent, the price of sugar by 126 per cent, that of apples by 32.6 per cent, that of margarine by 26.9 per cent, that of flour by 35.7 per cent and that of potatoes by 23.1 per cent and those are only a few essential foodstuffs.

In all other production areas, Mr. Speaker, the conditions were the same. The same Prime Minister today who does not seem to remember what he said in 1970 or who believes that everyone has forgotten has announced extraordinary measures to control inflation.

These alleged anti-inflation measures announced by the Prime Minister are nothing more than window dressing and in 18 months from now the government will introduce new measures according to the Prime Minister's wishes as well as the wishes of every good socialist, setting up in Canada a socialist state in the manner of Mao, in which all individual economic activity, be it from producers or consumers, will be subject to the direct control of a giant bureaucracy that is being already structured and will be built.

Moreover, this so-called anti-inflation board will establish itself in all areas and its tentacles will spread everywhere. These first measures, Mr. Speaker, will not solve anything. They are nothing but window dressing. When a house is not level on its foundations, it is useless to try to disguise shoddy construction by attempting to repair the roof. The bases of our economic system are not well balanced. It is the root cause of inflation in the "roof of prices". The Prime Minister wants to attack the consequences of inflation without tackling the causes; he has steered the wrong course ever since he came to power and he will continue to do so. However, I must concede something to the Prime Minister. He is in perfect agreement with the views and principles he held before he was Prime Minister, at the time he was writing in *Cité libre*. We could refer to numerous passages where, after his many travels around the world, he expresses his admiration for existing socialist and communist dictatorships.

He would like to introduce the same system in Canada. That is why it was easier for him to find his way into the Liberal party than to defeat the Liberal party by remaining in the New Democratic Party of which he was a partisan. He applied the old principle: If you can't beat them, join them. That is what he did.

Inflation suits him. Without it, things would not have reached their present state which forces him to enact measures that are window dressing at the start but within the next three years other measures will follow that will lead Canada to essentially socialist structures.

When the Prime Minister established an objective of a 10 per cent maximum annual price increase, he confirmed this. First of all, he can do nothing to stop inflation. Then, inflation will jump by at least 10 per cent a year and, finally, he will fail to come up with concrete proposals to reduce production costs.

[M. Rondeau.]

● (1610)

The December 14, 1974 issue of the Quebec City daily *Le Soleil* featured an article by Mr. Jean-Paul Gagné entitled: "The catastrophic consequences of inflation" which reads:

In order for you to better appreciate the scope of the phenomenon, here is a small table which indicates the future costs of various commodities, based on the assumption that the rate of inflation will go up by 10 per cent annually through 1980, 1985 and until 2,000.

The bus ticket which cost 40 cents in 1974 now sells for 50 cents in Montreal in 1975; assuming a continued inflation rate of 10 per cent annually from 1975 through 1985, and 1995, this bus ticket will cost $1.15 in 1985 and $2.95 in 1995. The same ticket which cost 40 cents in 1974 will set you back $4.70 in the year 2,000. A package of cigarettes which cost 80 cents in 1974 will go for $2.30 in 1985, $6.00 in 1995 and $9.65 in the year 2,000. The movie ticket which cost $2.50 in 1974 will sell for $7.15 in 1985, $18.50 in 1995 and $29.85 in the year 2,000. With the same inflation rate of 10 per cent annually, the dress which cost $35 in 1974 will be yours for $99.85 in 1985, $259.05 in 1995, and $417.20 in the year 2,000. A food basket which cost $50.00 in 1974 will be worth $142 in 1985, $370 in 1995, and $595.95 in the year 2,000. A man's suit which sold for $125 in 1974 will cost $356.65 in 1985, $925 in 1995 and $1,490 in the year 2,000. A car valued at $4,500 in 1974 will cost $12,839 in 1885, $33,301 in 1995 and $53,631 in the year 2,000. A house advertised for $30,000 in 1974, taking into account the government's proposals and a 10 per cent increase every year, will cost $85,593 in 1885, not including the interest costs, $222,007 in 1995 and finally $357,000 in the year 2,000.

Mr. Speaker, with such a stupid, upside down and ridiculous economy, an $8,000 annual salary will have, to maintain the so-called constant dollar value confronting this sickness, the cancer of inflation, an $8,000 annual salary in 1974 dollars will have to reach $22,825 in 1885, $59,202 in 1995 and $95,345 in the year 2,000. Anyone who got $12,000 in salary for 1974 will command $34,237 in 1985, $88,803 in 1995 and $143,018 in the year 2,000.

Those figures, Mr. Speaker, show where we are heading to with a maximum inflationary growing rate of 10 per cent a year as was proposed by the Prime Minister when he announced his so-called anti-inflationary new policy. Mr. Speaker, Bill C-73 now before us will lead the country directly to economic disaster, destruction of free enterprise, scarcity of goods and to a bureaucratic state where workers will serve the state.

Mr. Speaker, I will now quote an excerpt form *Inflation et Société*, 1960, by professor Graham Hutton:

In England, socialist economists publicly proposed that inflation is an economic means to expropriate owners . . . Socialist thinkers have such an aversion against private property and personal savings that, in the late 50's, some of them advocated expropriation by deliberately provoking inflation, after falsely reassuring savers and investors by intermittent periods of stable prices.

May I quote an excerpt from an economist, professor Graham Hutton, in the publication *Inflation et Société, 1960:*

Inflation is an indirect attack against justice and the rights of people. Because it deprives individuals of the value of their savings, it is immoral . . . inflation is burglary. When those who call themselves economists . . .

—those who in effect guided the government into the present inflationary chaos and are unable to lead the government out of it, these same economists—.

> . . . debate whether the inflation rate is controlled within one or two per cent 2 year, they recognize in effect they are only interested in controlling the rate of that burglary rather than stopping it . . .
>
> Inflation has always been a revolutionary policy leading ultimately to a totalitarian state.

What are the causes of inflation, Mr. Speaker? The Prime Minister did not discuss that.

When the gross national product stands at $100 billion and at the sometime the money supply is $60 billion, there is an automatic cry by consumers for higher wages or higher revenue from $60 to $100 billion in order that with such increased revenues the $100 billion price tag of goods may be bought.

The purchasing power deficiency relative to production is a consequence of inflation, and price inflation relative to cost increases is clear proof that there is inadequate purchasing power relative to prices.

As every production cost is included in prices, it is totally stupid and useless to raise wage revenues without increasing costs, because wage revenues are a part of costs. Boosting wages to adjust to cost increases is absolutely no solution. Proof evident is that inflation absorbs wage increases.

If for instance with the use of some devices we hold a prey five feet before any animal, whatever the latter's speed it will always be five feet behind the prey.

Whatever the rate at which salaries are increased to catch up with prices, because wages are a part of costs included in prices, prices will always be ahead of the consumers, whatever the rate of inflation, whether controlled or not.

Wage rises are no remedy to inflation. However, the revenue increase generated by a guaranteed annual income given to all and financed by new credits from the Bank of Canada which would not be included in prices would expand the money supply at the price level and prevent inflation by supplementing incomes without raising prices.

Only the government can take social measures to fight inflation. Neither industry nor labour can do anything about it. Only the federal government, which has all the economic and financial power, can add to incomes the difference between the total of incomes and the total of marked prices.

Social Crediters have two solutions to balance the economy. The first one is to balance the total of incomes with the total of prices and the second one is to lower prices through a retail discount which would allow consumers to pay prices to producers at no loss for them. I regret, Mr. Speaker, not to have more time at my disposal to deal with all the other causes of inflation.

The first cause I have just dealt with is that our production system, total salaries and revenues distributed in the course of production, is always inferior to the total prices attached to the goods produced over a given production cycle, whence the constant difference between total prices and total purchasing power; that, as I explained earlier, leads to useless runs on higher salaries.

Another cause of inflation, Mr. Speaker, is the expansion of credit by the private monopolies that banks are in their own interest: they manipulate credit in the country, for their own benefit, without taking into account overall needs or the economic priorities of the country.

At any time, banking institutions can alter the course of the social economy of a country. Still another cause of inflation is the disappearance of competition in the various sectors of production. Multinational companies have, individually, total sales that exceed in value of the national gross product (NGP) of many countries throughout the world. They have plants, branch offices everywhere in the world. They transfer huge amounts of money, exert considerable influence on the rate of exchange and the balance of payments of countries. They can alter to quite an extent the rate of growth of a country either through exports or imports to or from another country. They can trigger off financial crises of worldwide magnitude. Here is an excerpt from an article published in *La Presse* on March 28, 1974. I quote:

> OIL COMPANIES GANG UP TO INCREASE PRICES AND PROFITS?

—and in *La Voix de l'Est*, dated May 13, 1974, one could read this:

> In 1980, 200 multinational companies will control the economy of the capitalist countries.

And, Mr. Speaker, when one discovers what is behind all those multinational companies, one comes to the same conclusions as those reached by some American companies or inquiry commissions some years ago. I refer here to the *United States News & World Report* of 25 March, 1974, which says on page 20, I quote:

[*English*]

> A study of stock concentrations prepared by the Metcalf-Muskie subcommittees showed, for example, that the top 30 stockholders of Mobil Oil Company had 29 per cent of its stock and that 17 per cent was held by the trust departments of seven big New York banks—First National City, Chase Manhattan, Morgan Guaranty, Bankers Trust, Manufacturers Hanover, Bank of New York and U.S. Trust Company.

[*Translation*]

Mr. Speaker, a little further, it says this:

● (1620)

[*English*]

> A House Banking Committee survey of 49 banks in 10 major cities found more than 8,000 cases, involving 6,500 firms, in which officials of banks served as directors of other companies and vice versa.
>
> Of the Penn Central's 23 directors, 16 were also directors of 19 banks; 17 bank trust departments were among the 30 top Penn Central stockholders, with an aggregate 22 per cent of its stock.
>
> The most controversial part of the Metcalf-Muskie study was a charge that banks were engaged in a massive cover-up, using nominees or "street names" to hide their holdings.

[*Translation*]

And this brings me, Mr. Speaker, to the same conclusion I reached a few years ago. An American Senate investigation committee, presided over by the Chief Justice of the Supreme Court of the United States, Mr. Justice Brandies, stated two years later, after the investigation of this committee on trusts and monopolies in the U.S.A. while summarizing his investigation:

> There is but one monopoly: the creation of credit.

And he was right. I have in hand, Mr. Speaker, another American magazine, *The Business Week*, dated March 16, 1974. It lists all the American banks two years before the increase in oil and gas prices throughout the world. American banks moved to Saudi Arabia, in the Middle East. They took over the banks and we have the evidence on page 40 of *The Business Week* of March 16, 1974, which depicts the increase in oil and gas prices all over the world. American banks settled down in the Middle East, opened up new branches and took over the control of Middle East banks. Now, two years later, the price of gasoline and oil went up, all over the world. Billions of dollars found their way to the Middle East, were deposited in American banks, and returned to the United States or elsewhere in the world under the form of investments called "Arab investments".

Now, Mr. Speaker, we have a legislation which is supposed to be anti-inflation, and we know the economic foundation of monopolies and of the banks which control international interests. This legislation will automatically lead Canada to a totalitarian dictatorship and the government will be unable to control the multinational corporations. Why? Because our legislation cannot apply to monopolies whose headquarters is not in Canada.

Mr. Speaker, I cannot support the solution advocated by the right hon. Prime Minister because I know it will lead the country toward figures which now seem stupid. For instance, it seems that if a worker wants to keep pace with an inflation of 10 per cent a year from 1974 to the year 2,000, he will have to earn an average income of about $200,000 around the year 2,000 because of the eccentricities of the present economic structure and its upward trend. The economists who support the government have no alternative solution except to continue with this system which works in reverse and is ruining the country and the savings and which will ruin private enterprise and personal initiative and create a board which will have to be more powerful than the government to intrude in private and corporate fields because the government failed to take its responsibilities. Only the government has the economic and financial power to reverse inflation. The government should have announced an economic policy which would allow it to roll back prices by at least 10 per cent a year instead of increasing them by 10 per cent.

It would have been to the advantage of consumers and producers for the government to introduce fiscal and monetary legislation allowing a reversal of the Canadian economy within 5 years through a price reduction of 10 per cent a year.

Instead, the government is placing itself above producers and this will certainly not protect the consumers who will have to suffer one way or another for this so-called price freeze. The government will perhaps freeze wages, but it will not be able to freeze prices because the Canadian economy is monopolistic. Monopolies control the Canadian economy. One only has to refer to the number of books available here at the parliamentary library and containing the information about the structures of monopolies existing in Canada. In this way you will understand the link that exists between them. That is why the price and wage control policy is an absolutely disastrous policy, a negative policy. It is not a progressive policy, it is not a policy to encourage the farmer, the individual or the worker to produce more because with 10 per cent a year, the result will be, based on the figures I quoted earlier, that a salary of $8,000 in 1974 will correspond to a salary of $164,000 in the year 2,000.

Perhaps the figures I just gave are not taken seriously. One only has to figure it out. Take an adding machine, figure out a progression of 10 per cent a year, and see the figure you can come up with. That might allow you to realize that the savings, the goods, the work being done now, as those of other producers and consumers of this country, are going directly to ruin because this government did not come up with the policy it should have to halt inflation.

The government listened once again to the economists who created inflation in Canada. Mr. Speaker, I regret to have to announce that when it will be time to vote on this bill in this House, I will be voting with both hands, and if I could vote more than once against this bill, I would.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, a former Liberal prime minister once said that in politics one must do as one does at sea in a sailing ship—not steer a straight course to one's destination, but pay regard to prevailing winds. I suspect that our present Prime Minister (Mr. Trudeau) did pay regard to prevailing winds when he suggested to his cabinet colleagues and to the people of Canada that a program of price and income controls should be imposed as a solution to the ailing economic difficulties of our country.

I confess I do not share the degree of enthusiasm my colleagues have expressed—particularly my colleagues on the other side of the House—about this program. As a matter of fact, I would have hoped it would never have been necessary to impose measures of this kind upon the Canadian people; I would have hoped that someone would eventually have been able to manage our economy in a statesmanlike fashion, capable of the kind of fiscal and monetary performance which would have ruled out the type of measures we are now discussing. I am also concerned about the despicable performance of the Minister of Finance (Mr. Macdonald) when he first introduced the white paper on the guidelines and, later, the bill now before us. It is nothing new. It should have been no surprise to us who have become accustomed to that kind of procedure on the part of a minister who sold us an energy package a couple of months ago and used cheap political tricks in an attempt to discredit an opposition which had serious reservations about some of the propositions he was putting forward.

I might add that some of the reservations we expressed at that time have proved to be fully justified. As the House will recall, we were talking about energy conservation, Petro-Can and Syncrude. There are probably not many members in the House today who know there have been developments in the process used to gain oil from the tar sands of Alberta, and that oil can now be extracted at a fraction of the cost envisaged under the plan the present Minister of Finance bought on behalf of the Canadian people. It would be fair to speculate that the minister fell victim to a con game on the part of international oil companies who knew there was better technology in the

offing and who had to bail out before this knowledge was shared by a broader segment of the industry.

● (1630)

If the government intends to see this package through, it will need a better sales manager than it has employed up till now. How do people know that the Prime Minister and the Minister of Finance are telling them the truth this time? After having been told that price and wage controls will never work because they have never worked anywhere else, how can they believe the government now? The Conservatives' price and income controls of 1974 were said to be a cruel joke on the Canadian people. The performance of my colleagues from across the aisle reminds me of the young fellow at school who was a notorious liar. Every time he had something really serious to say, he had to say, "I am telling you the truth this time". This is what the Prime Minister is saying, that this time he is telling us the truth. But how do we know?

The truth is that inflation cannot be cured with price and income controls. Any member across the way who says that the Conservative party has stated that price and income controls are a cure to inflation is simply being dishonest. What is inflation, anyway? It is the main ingredient of the program that we are discussing today. Inflation is an international and domestic con game. The international con game works in this way. Countries like the United States embark upon schemes of extravagance that they cannot sell to their own taxpayers. They water down their currency and buy products on international markets with those watered down dollars. Of course, in the case of the United States it was the Viet Nam war that made that kind of approach necessary.

In Canada we also indulge in schemes of extravagance in the field of welfare—programs such as unemployment insurance, DREE, LIP, LEAP and a long list of others which do not make sense to a lot of Canadians or have their support. It is for this reason that we have to water down our domestic currency and cheat recipients under these schemes by paying them with dollars that are really not worth what they are supposed to be worth.

The program the government is trying to introduce is very much different from that which we proclaimed in the 1974 election. In my opinion, it is very important that we tell Canadians where the program differs. Firstly, the government intends to regulate the economy with price and income controls. It intends to fight inflation in this way. We feel that inflation can only be controlled and disciplined through monetary and fiscal management. Wage and price controls should only be used as a tool to break inflationary expectations.

It is for this reason we feel that a three-year period is much too long. Serious shortages of consumer goods will occur and there will be an imbalance between imported and domestically-produced goods. I had a telephone call from a constituent yesterday, a contractor, who told me that the day following the announcement of the guidelines he was informed by suppliers of a very important commodity, namely, furnaces, that there will be no supply of furnaces this year until the company can determine to what extent the guidelines will affect its operations.

More serious than that is the fact that the program is selective in nature and, therefore, unfair to a very large segment of our people. It effectively controls wages—or at least we think it will, provided the government has the guts to carry it out. But it still allows prices to fluctuate and be regulated by input costs. The large corporations which deal in the export markets will be under no price restriction at all. It is interesting to speculate how unions subject to the 10 per cent ceiling on incomes will respond to that. Some companies will be monitored, others not. What about the lumber industry, the pulp mills and the wood fibre commodity groups that sell 75 per cent of their production offshore? What will the unions say when these companies' profits and prices continue to escalate and rise at the same time as the work force producing the goods is tied to strict guidelines?

Then there is the bureaucracy that needs to be set up, and the prospect of an administrative nightmare. Yesterday I asked the minister in the House whether the government has dealt with the perplexing question of how many people will be required to administer the program, and he said he thought it would take 200. Another minister on the treasury benches said they were speculating it might take 500 people. I suggest to Your Honour that it will take more like 5,000 people, if not 50,000, to administer the program that we have in front of us.

For example, the Anti-Inflation Board reports to the administrator, who is checked by the appeal tribunal, which can be overruled by the governor in council. All are expected to apply a degree of discretion as they monitor, regulate and administer the guidelines which may be changed from time to time. Most important of all is the ingredient that is missing, and that is the faith and trust of the Canadian people in their government which has shown lack of leadership. The program we proposed was watered down because, as the Prime Minister said, he wanted it to be equitable.

Mr. Baker (Grenville-Carleton): It was deformed.

Mr. Oberle: It was deformed, my colleague says. To whom is it supposed to be equitable? Is it to be equitable to the unemployed, the sick, the disabled, the senior citizen? Is it to be equitable to the unions and big corporations; or is it simply to be equitable to the Simards and William Terons of this country?

As my colleagues on this side know, we would have imposed a 90-day freeze on all prices and incomes. We would have made the program equitable to all Canadians. We would have used the time during this solid 90-day freeze to work out monetary and fiscal strategy. One must remember that this proposal was made during an election campaign and we were expecting to take over from a bungling government, which is why we needed time after the election to sit down together and discuss the situation and to tell Canadians that they would be dealing with a group of people who would always speak the truth. It would have taken 90 days to sit down and discuss the situation and to tell the people that this was a government that would always tell the truth and was backing up its convictions by bringing in legislation to keep everybody honest.

Then there would be a period of adjustment to correct imbalances and inequities and to promote a climate of mutual trust. Unions and businessmen would have been invited to sit down with us. We have heard about the consensus program. This would have come after the freeze. But what my colleagues across the aisle do not understand is that a consensus program in an area of mutual distrust will never work. The former minister of finance learned that in his attempt to carry out such a program.

● (1640)

Because there is no trust among unions and businessmen and no leadership in our country, I fear this program is doomed to failure. Leadership is not something you can announce in the House of Commons or during an election; it is something you have to demonstrate and something you have to practice by example. You cannot announce leadership and ask the people to engage in blind trust.

We know all about blind trust. When it comes to conflict of interest, blind trust, in the eyes of our colleagues from across the aisle, simply means that if you are in a leading government position, a position of power in the cabinet or in the civil service, you pass your shares in private corporations which may benefit from any decision you make in your position of power to a good friend, who will hold the shares in his name. Of course, you still dictate the policy and you still decide when to sell and when to buy. That is blind trust.

An hon. Member: And urbanetics.

Mr. Oberle: Urbanetics is one example, yes. The people of Canada will not engage in that kind of blind trust. One of the concerns I have results from a comparison of the guidelines which the Minister of Finance (Mr. Macdonald) has proposed to the House, with the rent controls a socialist government has introduced in the province of British Columbia. I fear that they will assure, for the next four years, a 10 per cent rate of inflation.

The government of British Columbia has imposed rental guidelines over the last two years, and rents have risen higher than they have in the city of Toronto which has a problem equal to that of the city of Vancouver. The reason is that there were guidelines, and everyone who rented to anyone felt compelled to increase rents in accordance with those guidelines. There is no provision in the guidelines to the effect that anyone who might not need a 10 per cent increase can ask for less. In fact, no one will bargain for less than 10 per cent.

An hon. Member: This is built-in inflation.

Mr. Oberle: Businesses will have to increase their prices three times a year, because that is what the guidelines tell them to do. They would need their heads examined if they did not do that, because the guidelines say they need their profits and need an increase of 10 per cent. What this program does is guarantee that there will be a 10 per cent inflation factor for the next four years. This bill totally ignores the fact that the United States will have half the rate of inflation next year and that industrial countries such as Germany and European Common Market countries will have a much lower degree of inflation, with fewer problems.

[Mr. Oberle.]

This program will depend for its success on whether the Prime Minister and the Minister of Finance can again fool most of the people of Canada. The success of the guidelines will depend upon whether the government will listen to what the Leader of the Opposition (Mr. Stanfield) will have to say, and will listen to what members of the committee suggest during the committee proceedings. There will be some very significant amendments made to these guidelines and to the bill. They will have to be accepted before Canadians and members on this side of the House will accept and support this kind of program.

I should have thought it was important, and in the interest of the survival of our economy, for the Minister of Finance and the Prime Minister to display some statesmanship as did the leader of the New Democratic Party when he said the Leader of the Official Opposition had paid the political price for offering to co-operate in every way possible in respect of wage and price controls. I would have expected the Prime Minister to give the Leader of the Opposition credit for having paid that price by stating the government wants to co-operate with the opposition because it needs the opposition and its support in order to sell this program to Canadians.

We do not want to be entirely negative about this program, even though it addresses itself to the wrong area entirely. The program has to be backed up with strict monetary and fiscal policies. Let me say, on behalf of my colleagues, that we are prepared to allow this bill to go to the committee, but if the type of cheap political trickery is displayed in the committee that has been displayed by the Minister of Finance in this House, I fear for the success of the program because it seems doomed to failure. Canadians will not put up with this kind of thing any longer. It is important that more people than the Leader of the Opposition and his colleagues look at the interests of their country first, and the interests of their party and their political future second.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on page 21 of the white paper which the government tabled on October 14 as a prelude to Bill C-73, I find these two sentences:

> Some groups have fallen behind in the last two or three years because of the time at which their contracts were negotiated or for other reasons. It is essential that they should be provided with an opportunity to catch up.

I suggest that I am not wrenching anything out of its context or doing any damage to those two sentences if I leave out some of the words in the middle and make the statement more direct by putting it in these words, "Some groups have fallen behind in the last two or three years. They should be provided with an opportunity to catch up."

My remarks this afternoon is this debate on second reading of Bill C-73 will be concerned entirely with certain groups that have fallen behind and which in my view should be given the opportunity to catch up, and I call for action to make that possible right away. Whatever we on the opposition side may think about Bill C-73 or the orders and regulations that are to be made under it, it is obvious that the government is determined to use its power and its majority to put this legislation through and to put this program of economic controls into effect. That being the

case, I think there is a place for some of us to stand and plead as strongly as we can for the practice of fairness.

Economic controls are difficult to take. They have been referred to as "rough justice" by the Leader of the Opposition (Mr. Stanfield) and they have been referred to as "unpleasant medicine" by spokesmen on the government side. I suggest that because these controls are difficult it becomes terribly important that fairness be practised. Indeed, I suggest that if gross unfairness is allowed and if gross unfairness increases, the whole program will fail.

The people of Canada are prepared to face up to a crisis. They are prepared to face a challenge, but they are not prepared to take lying down a program that has in it basic elements of unfairness. I call on the government to correct some of these instances of unfairness without further delay.

● (1650)

I said I would address my remarks almost exclusively to the groups which I think should be enabled to catch up. They, of course, are the groups at the lower end of the scale. I want to say as strongly as I can that it is not good enough for the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Macdonald) to give us the idea that if somehow the big people, those at the top, are called upon to practice restraint, this automatically will improve the situation of those at the bottom. It just does not work that way any more than the theories of Adam Smith worked successfully. He tried to tell the people of his time in his work "The Wealth of Nations" that if the wealthy were allowed to get wealthier, some of that wealth would trickle down and cause those down at the bottom to be better off.

We have learned that is not the way to achieve social justice. That doctrine will not hold any society together. I submit, in the same way, that if the government imagines that simply by imposing restraints on some of those who are labelled as big people, nothing needs be done to improve the lot of those at the bottom and that those at the bottom will simply enjoy a better life, this is completely wrong. I want to say to the government that at least one member on that side of the House seems to me to share that view. I thought he expressed it very well in the able speech he made yesterday. I refer to the hon. member for Maisonneuve-Rosemont (Mr. Joyal). According to the English translation which appears at page 8416 of yesterday's *Hansard*, he said about this legislation that a basic principle of social policy should be reflected in every measure under discussion, namely, that any fiscal or financial action that does not aim at narrowing the income range is socially backward and can have adverse social repercussions in our economy. A little further down he said:

> If we look at the social groups affected by these measures, it is easily seen that this legislation will create in a very short time an unacceptable imbalance.

That is not a member of the New Democratic Party speaking; it is a member of the Liberal party. He is saying that the danger in this legislation is it will heighten the differences between those at the top and those at the bottom and will create an unacceptable balance. He said that again two or three times, but I like it as it appears at page 8419 of *Hansard*, when he said:

> In the present economic conditions, a government must essentially propose as the aim of its fiscal, monetary and economic policy to shorten the gap between those at the very bottom of the wage scale and those at the very top.

The hon. member during a good deal of his speech dealt very effectively, I thought, with those who come under the minimum wage legislation. He had in mind such persons in all parts of Canada, but he referred particularly to those in his own province of Quebec where the minimum wage apparently is not to be increased as much as the law calls for because of the imposition of these guidelines.

I commend to the Minister of Finance that he read the speech of his colleague the hon. member for Maisonneuve-Rosemont, who made very clearly the point that this legislation will create an imbalance and will not meet the needs of our people unless it does something to narrow the gap between those at the top and those at the bottom. The Minister of Finance and the Prime Minister are trying to tell us that their proposed restraints on big business and big labour, and so on, will leave a little more of the pie for those at the bottom and that those in the lower income brackets therefore will be better off.

They also try to make out that the extent to which prices will be kept from rising will protect the position of those at the bottom without, of course, admitting that there is nothing in this legislation that calls for any direct control over prices. So, what we have is a bill that will provide fairly effective wage control over those in the lower and middle brackets, but will provide nothing for those at the bottom, while at the same time prices for them will continue to rise so that their position will get worse and the unacceptable balance referred to by the hon. member for Maisonneuve-Rosemont will be their lot in this country.

I said I wanted to deal particularly with some of the groups which in my view are covered by the sentence in the white paper which states that those who have fallen behind in the last two or three years should be provided an opportunity to catch up. I begin, as hon. members would expect, by referring to our old age pensioners. I am sure some members are ready to say—I have heard them say it when others have been speaking on this subject—that pensions are indexed and rise with increases in the cost of living.

That may be true in a legalistic sense. It is true in terms of the percentage of the rise in the cost of living as computed by Statistics Canada, but the fact of the matter is that for older people who have to live on the pension, particularly those who live on old age security and the guaranteed income supplement, the increase that they get every three months puts them in the position of always falling behind. The increase they get in January, April, July or in October is always based on an increase that took place over a period of six or eight months before that increase came into effect. In other words, they do not get the extra money when they need it to meet their rising costs, and when they do get it still further rising costs face them.

It is also a fact that the index is not related to the goods and services that senior citizens actually have to buy. I say the result is that those who live on old age security, and especially those who have to live on both the old age security and the guaranteed income supplement, are

always falling behind. I throw to the government the words in its own white paper, "they need the opportunity to catch up". They do not get any opportunity just by the high-flung rhetoric of the Minister of Finance that there will be more of the pie for them. They will only get it if there is a positive step taken by the government to increase the amount of the old age security. The time for that to be done is right now in the context of the economic control program.

Some members on the government side may say that this seems to be a case of asking for exceptions in the restraint program. It is the government in its white paper which has already provided for scores of exceptions to the guidelines laid down, but it says to the old age pensioners that there will be nothing for them; that they are not in a group that bargains, and therefore they do not get any increase in money to enable them to catch up, and that they just have to hope that somehow, because of the rhetoric, they will get a little more of the pie.

● (1700)

It will not work that way, and I submit that if this program is to succeed, and if I am right in saying that it can succeed only if we are determined to be fair, then one of the things to do right now is to provide for a substantial boost in the basic amount of old age security so that it will apply to those who receive that pension only and also to those who receive old age security and the guaranteed income supplement. This kind of action would be an evidence of good faith on the part of the government and would enable the government to say that they are asking all Canadians to share in this campaign against inflation.

I suggest the same thing for our veterans, those on the war veterans allowance and those on war disability pensions. Again it can be said that there is indexing or escalation of these pensions. In the case of the war veterans allowances, there is indexing every quarter; in the case of war disability pensions, there is indexing once a year, but the same story applies—the extra money that comes because of escalation leaves the recipients of that money always behind and it does not relate to things they actually have to buy.

I contend, therefore, that another evidence of good faith, another carrying out of the position taken by the government that those who are behind should have the chance to catch up, would be demonstrated if there was an increase right now in the basic amount of the 100 per cent disability pension under the pension act for veterans and if there was an increase in the basic amount of the war veterans allowance.

In the same vein, I mention that there is before parliament a report of the Standing Committee on Veterans Affairs which was presented some weeks before we rose for the summer break and which is supposed to be under consideration by the government itself. It is a report that recommends an increase in the pensions of Canadians who were prisoners at Hong Kong and which also recommends that there be a scale of pensions for Canadians who were prisoners of war in Europe during World War II. This report came about because of the earnest and thorough study by the Standing Committee on Veterans Affairs, and because of representations that were made to us.

I say, again, here are persons to whom Canada owes a great deal, persons who are in need, persons who are in that category of having fallen behind in the last two or three years and for whom there should be provided an opportunity to catch up. It is not good enough just to let the bringing in of that legislation drag on and on while some of these veterans die off. If there is a desire to be fair—and I put it again in the context of whether or not these controls will work—let us be fair to those who are in the kind of need that the report of our committee seeks to meet.

The Minister of Veterans Affairs (Mr. MacDonald) has told us that this matter is under consideration. We have been getting that answer for a long time, and I have no doubt that it is. I think that perhaps there are other recommendations in that report that the government finds hard to swallow, such as a provision having to do with the widows of veterans in the cases where the veteran's disability pension was less than 50 per cent. But here, again, we are talking about people who will fit the category that I have referred to as the theme of my speech, people who have not had a chance to keep up with rising costs and who should now be provided with an opportunity to catch up. I call upon the government to bring in that legislation without delay. The minister has had it for weeks and for months. There is no reason why it should not be on our order paper not later than next week.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Another thing that comes in the same category has to do with Canadian government annuities. When the former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner), made his budget speech on June 23, four months ago tomorrow, he promised that there would be legislation to amend the Government Annuities Act so that people drawing benefits under that legislation would not have to continue to draw benefits based only on a 4 per cent formula.

We have asked about this several times, and other members in the House have done so. We are told that it is being considered and that it will be along soon. But why the delay? Here is something that is geared to the needs of people who are retired, who are not in the position of being able to bargain for increases as others can. These are people who have the right to catch up, and the government has it in its power to assist these people by bringing in the legislation without further delay.

I come again to the question of other groups about whom I have spoken hundreds, if not thousands of times in the years that I have been here, groups such as retired public servants, retired railway employees, both CNR and CPR. These are all persons who, because they are retired, are out of the category of those who can bargain for increases. I say they are all in the category of those for whom an opportunity to catch up should be provided.

I say, again, that if the government wants this program to succeed, it must convince the Canadian people that it is being fair. It is not fair to leave all these groups of people nothing to make life better for them other than the rhetoric of the Minister of Finance who says that because some

people will get a little less of the pie, therefore there ought to be more for them.

Then there is the pressing question of the minimum wage. I realize that this is both a federal and a provincial matter, and I refer again to the excellent speech made yesterday by a Liberal, the hon. member for Maisonneuve-Rosemont, who was quite upset about the action of the Liberal government in his own province. I say that to talk about the right to catch up is meaningless unless you extend that right to those who really need it.

What should be taking place now is not just a flood of oratory by these public relations cabinet ministers who are running around the country but, rather, the bringing in of necessary legislation to increase the minimum wage at the federal level, with a plea to the provinces that they do the same. I suspect that some of the provinces will want to increase their minimum wages and may even want to do so to an extent that will break that $600 ceiling which applies to those in the lower brackets, and I hope the government will soon say to the provinces that such a ceiling will certainly not apply to those on the minimum wage. As a matter of fact, I think that the $600 ceiling, which is not in the bill but in the guidelines, should go altogether.

These are the various groups of people. As I say, all of them are at the bottom; for all of them the heart of the Minister of Finance bleeds because he has told us so in the speeches he has made. But it is not good enough just to hope that in an indirect way things will be better for them. Things will be better for them only if positive steps are taken, and that is why I urge that there be positive action to increase the various pensions to which I have referred—old age security, the guaranteed income supplement, war veterans allowance, war disability pension, and so on.

That is why I think legislation regarding Canadians who were prisoners of war at Hong Kong or in Europe should be brought in, and that is why the promise to improve Canadian government annuities should be implemented without delay. That is why I feel things should be done for railway pensioners and for retired public servants, and that is why I believe definite action should be taken with regard to the minimum wage legislation right now, both in Ottawa and in the provinces.

As I have already said, this may sound to some like a speech calling for exceptions to the practice of restraint which is the heart and core of Bill C-73, but I have seldom seen a bill that was so severe and yet so full of exceptions. All over the place there are ways and means by which the ceilings can be pierced, not only in terms of wages but certainly in terms of prices and profits, and many of those exceptions will permit persons in the upper brackets to have increases which are beyond what the guidelines dictate.

I think in particular of professional people and of lawyers who can handle ten cases a day instead of eight. They may not raise their fees, but they can make more money. Doctors who can handle ten cases a day instead of eight, or 20 instead of 15—whatever the ratio may be—may not increase their fees, but they can handle more patients and make more money.

● (1710)

Then there is the excuse that if a person is promoted, he is entitled to an increase in pay regardless of the amount involved. So if there are these exceptions built into this legislation for those at the top, exceptions which I think are unfair, and yet nothing is being done for those at the bottom, in my view the legislation will fail for the simple reason that it lacks the essential of being fair. I urge, therefore, that this be corrected by positive steps right now.

Others on both sides of the House who have spoken in this debate have said that this bill by itself is not enough; there have to be fiscal and monetary policies; there have to be other changes. The whole question of housing has been well put forward by my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent) and by others, and I suggest that it is terribly true when hon. members say that these direct things need to be done if this legislation is to succeed.

The theme of the Minister of Finance throughout his speeches seems to be against the big people. I know this has a very strong appeal from the public platform: that the government is out to get the big people, big business, big labour, and so on, and that if these things are done despite the exceptions there are, life will be better for those at the bottom. In my experience over the last number of months, or perhaps even longer than that the group of people which has been hoping the most that there would be some kind of control has been the pensioners, the older people.

There was not much mail today because of the strike, but the mail I have been receiving in the last week or so from older people expresses concern that here is a program which talks about controls but which has no price control in it at all. They see prices continuing to go up and no increase in their basic income. So as far as they are concerned, they will not receive the benefit they thought would come from a program of economic controls. In their name, I plead, not for rhetoric from the Minister of Finance but for positive steps on behalf of these people.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I began my remarks by referring to a sentence on page 21 of the white paper about groups which have fallen behind, and their right to catch up. At the risk of being unpopular in some quarters in this House, I wish to make passing reference to Bill C-44 which was passed some months ago.

An hon. Member: What was that?

Mr. Knowles (Winnipeg North Centre): My hon. friend asks what it was. It was a bill brought in because there were those in this House who thought that Members of Parliament had the right to catch up. It was argued that we had fallen behind financially and that a massive, catch-up increase was justified. What I thought of that bill was pretty well known. My attempt to oppose it and defeat it at every turn is on the record. But I say that this House of Commons, which by a majority supported a measure aimed at enabling us to catch up, cannot keep silent when there is before us legislation and economic controls which do not include an opportunity for those in

the lower income brackets, for those on fixed incomes, for pensioners and others, to catch up. I plead that we practice consistency and that hon. members in all parts of the House, especially those who supported the principle of enabling members to catch up—I did not think we needed it, and it certainly added to inflation, but it was passed by this House—do the same for those down at the bottom of the income scale.

Mr. Peters: That was a welfare bill, a MacGuigan welfare bill.

Mr. Knowles (Winnipeg North Centre): My hon. friend says that was a welfare bill, a MacGuigan welfare bill. That is understandable.

Mr. Speaker, I am about to conclude. I was interested yesterday when the hon. member for Hamilton Mountain (Mr. MacFarlane) made his pitch for this legislation and said that we are faced with a war on avarice and that that is what we must deal with. Somehow, as Canadians, we must join and make sure that avarice does not get the better of us. In my remarks today I am not talking about persons who are displaying any avarice at all. I am talking about those on the minimum wage, those at lower income levels, war veterans, old age pensioners and persons who are trying to live on annuities based on the 4 per cent factor of many years ago.

Surely these people, when they ask for the chance to catch up which the government has proclaimed in this white paper, are not being avaricious; they are simply asking for fairness. I urge that not only do they have the right to be treated fairly, but that this whole proposal for economic controls and the whole attempt to get our economy back on the rails will have a much better chance of success if it is done fairly.

My complaint about the guidelines, which are apparently to be passed under Bill C-73 if and when it passes, is that they are not fair to the needy, to pensioners and to those on lower incomes, and therefore they are not fair to Canadians as a whole or to the good name of this country.

Some hon. Members: Hear, hear!

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I intend to take about 10 or 15 minutes, to deal with one point only and to make a suggestion in the last sentence of my speech. I would ask the ministers present not to leave, but to convey my suggestion to the Minister of Finance (Mr. Macdonald). I will ask, on behalf of the opposition, for a certain step which I think might make the awesome powers we are being asked to give the government perhaps a little more palatable. I will only deal with one point, though it is tempting to point out that when one considers this whole matter, certain gentlemen in the party opposite, the government party, have called for a spirit of Dunkirk when they might be better advised to remain silent. After all, the spirit of Dunkirk comes better from a Winston Churchill than it does from a Neville Chamberlain.

Some hon. Members: Oh, oh!

Mr. McCleave: I will try again. The other brief point I wish to make is a valid one. The difference between the Conservative philosophy in the last election and that of the present government is that we would have imposed a hair shirt on Canadians for three months, not put them in an iron maiden for three years.

The burden of my remarks must start from seven or eight years ago in the House of Commons. This is an important argument; it has not been raised in this debate before. I will try to tackle it as succinctly as I can, but it has to be properly presented. Some seven or eight years ago the hon. member for Windsor-Walkerville (Mr. MacGuigan) was chairman of a special committee on statutory instruments. One of the recommendations in its report which was presented to the House dealt with the regulations made in the exercise of the powers of the governor in council in so far as those regulations were of a legislative character. It was felt by the committee then that these should be subject to the same procedures and requirements as other regulations of a legislative character, and then, except in the interests of national security, there should be no exemptions from the requirements of the Regulations Act other than as to publication. I have dealt with two of the principal points in the report. Another one reads:

● (1720)

> Section 9 of the Regulations Act, which allows exemptions from the provisions of that act, should be amended to provide for exemptions from publication and time of publication only.

Finally, recommendation No. 14 of that report:

> All regulations, regardless of the regulation-making authority, should be available for public inspection.

The generosity that was suggested in the report by the hon. member for Windsor-Walkerville some seven years ago was not met in the law that was passed, the Statutory Instruments Act. The regulations that came before the committee established by the changes in those rules of the House of Commons—that is, the Standing Committee on Regulations and other Statutory Instruments—covered a wide variety of the regulations made by the government, but the regulations did not go before that committee in totality. In other words, there is an important area of regulations passed by government departments and agencies that are exempt from scrutiny by any public body whatsoever. There is no recourse against them in the House of Commons or the other place; there is no recourse against them in the statutory instruments committee.

Because I happen to be the House chairman of that committee, and because I think this point is important, I am going to hammer away at it in the next few minutes. It may be asked how this can possibly affect debate on Bill C-73, but I say it is a very important matter and I draw my analogy from section 58 of the Immigration Act which reads in part as follows:

> The minister may make regulations, not inconsistent with this act, respecting the. . . duties and obligations of immigration officers and the methods and procedure for carrying out duties and obligations whether in Canada or elsewhere.

I can report to the House and the country, through you, Mr. Speaker, that no regulations from the Department of Immigration have ever appeared before the statutory instruments committee because of the definitions set out in the Statutory Instruments Act. No regulations whatsoever. Yet immigration officers are armed with manuals that no one is permitted to see outside of the Immigration Department but which have a life and death effect on

people who wish to become citizens, or a sad effect on the relatives of prospective immigrants who want to bring their loved ones to join them.

I say that the Department of Manpower and Immigration is hiding behind a definition of parliament that parliament should not have passed when the Statutory Instruments Act was passed. None of us saw the evil at that time, however. The fact is that the Minister of Manpower and Immigration (Mr. Andras) and his department can hide behind a practice that is as undemocratic as anything that you or I could think of, Mr. Speaker. I mention this because I do not want to see the same thing happen with the powers that the government is asking us to give in Bill C-73.

There are five places within Bill C-73 where powers of regulation are given, and one of them I think is unacceptable. The procedure of the appeal tribunal is set forth in clause 26(5). It has the power to make rules and regulations governing its own procedure that any court or quasi-court must have, and I do not think that is something that need concern the government. There are other powers, however.

In clause 3(1), the governor in council can publish guidelines, and in clause 3(2) he can issue guidelines regarding prices and profit margins. I think that puts the governor in council, as the cabinet or minister bringing in these proposals, within a pretty large field of human endeavour and one which can affect almost everybody in Canada. I am curious about what is going to happen when clause 4(5) comes up for debate and what effect the government's agreement with the provinces will have on professional fees. Is it possible that a fee structure can be imposed upon professional people in certain provinces that would never be subject to scrutiny in this House, or in the statutory instruments committee or any other place? This clause provides for dealings between the provincial government and the federal government. Apparently there is no right of recourse to the professional group in provincial legislatures, and this is a very serious matter.

I continue the catalogue of possible powers with two other points, Mr. Speaker. According to clause 13(2), the Anti-Inflation Board may give notice of types of disclosure and the setting up of notices which presumably are directed to individuals or whole industries. This is also a matter of very serious moment. What sort of information would be required, for example? Would it be within the spirit of the act, or would it be possible to stretch the content to contain something not within the spirit of the act—although the act seems so broad that everything would be included in the spirit of what hon. gentlemen opposite propose doing.

I have said that the provisions of clause 26(5) appear quite normal to me. Undoubtedly, this matter would come before the statutory instruments committee as do other boards, tribunals and the like. They are generally of a pattern. I do not raise any cry of "star chamber" or the like, because I think by and large Canadian tribunals tend to govern themselves in a pretty civilized way. You will notice I said "tribunals", Mr. Speaker, but nothing about government departments, boards, agencies or corporations given the power to pass regulations.

Finally, I come to clause 39. The three others I mentioned, Nos. 3, 4 and 13, were not broad enough. The governor in council is given the power, all over again, to make regulations in a pretty general way, not even being tied down to the powers suggested in the preceding clauses. I do not think the House of Commons or the other place would be doing their duty if they allowed the bill to go through without one of two things happening, so I put it up to the two ministers now present, the Secretary of State (Mr. Faulkner) and the Minister of the Environment (Mrs. Sauvé), to pass on to their colleague the Minister of Finance (Mr. Macdonald). His absence this afternoon is understandable; I know he is meeting with his provincial counterparts, so I make no criticism about that. I say that the Minister of Finance must stand in his place, or somebody on the government side must, and before second reading is over indicate that the guidelines, the regulations, the directions—anything done under this act that is directed toward the people it governs—ought to contain a clear guarantee that this matter will go to the Standing Committee on Regulations and other Statutory Instruments for consideration. That committee has some power, which it has never abused, and it could examine and bring to the limelight the things that bother us.

● (1730)

I hope that the Minister of Finance or some other minister on behalf of the government can make it very clear that there is going to be the utmost co-operation in parliament in seeing that all of these directives, guidelines, and what-not, go before the scrutiny committee of the two Houses of parliament for study. I put the government on notice that at report stage there will be an amendment moved, that notwithstanding the very restrictive definitions in the Statutory Instruments Act, all guidelines, documents, directives, and so on, under Bill C-73 be referred to that committee of the two Houses of parliament. I put it very simply: we want a guarantee or there will be a flaming debate in this House about what should be done to guarantee the rights of parliament for scrutiny.

Mr. Jake Epp (Provencher): Mr. Speaker, in rising to speak on Bill C-73 I wish to place before the House some of my concerns as I see Canada's economic future developing. In the past few days we have seen the Prime Minister (Mr. Trudeau), who has always prided himself on being the best example of Canadian public life and being able to use the public media for his purposes, possibly having had that media turn against him to some degree.

Yesterday the Prime Minister took his road show to the fair city of Winnipeg. He presented to the people of that city his views on how the prices and incomes policy of the government will work. Apparently the Prime Minister had a prepared speech, but he scrapped that. While the speech might have been prepared, the program he was going to describe was not. Instead of giving his prepared speech, he spent a fair bit of time lecturing his listeners on the basic fundamentals of democracy and how democracy had to work. He, of course, was the expert on how the democratic system was going to work once he had Bill C-73 in place. To say the least, the speech was not accepted graciously. The press today is—

An hon. Member: Less than complimentary.

Mr. Epp: —less than complimentary. Thank you. It is about on a parallel with the abject performance the Prime Minister gave at Red River community college. When asked very serious questions by students, in a very flippant manner he put aside the questions in a way that was not becoming the leader of this country. We have seen another minister of the front benches on television. In order to see ministers today, you have to watch television, because they are not in the House. We watch television at eleven o'clock to see whether the ministers are still alive and well.

Mr. Baker (Grenville-Carleton): And it is worse in colour.

Mr. Epp: That is right. In fact, their colour is draining rather badly, and quickly. Yesterday we saw the Minister of Labour (Mr. Munro) on television. He was appearing before the Canadian Union of Public Employees. He obviously used the premise that was used by a minister in a small community: when the minister was not able to be present to deliver his message one Sunday morning, he asked an elder deacon to deliver it. The minister had the sermon written out. At the appointed time on Sunday morning, the elder started reading the sermon. It was a very fine and stirring message. In true homiletics, there were three points. When he came to the third point, the elder deacon stopped. It stated, "Weak point. You can fill in the rest of the words". Possibly that is what the Minister of Labour was doing yesterday; he was simply labouring in an area he feels rather unqualified to talk about.

Government members today are also rather embarrassed about trying to explain this policy, particularly when they do not have their heart in it. They have been asked by the Prime Minister and other members of the caucus to get out, beat the bushes and tell Canadians that a prices and incomes policy is now necessary even though it was not 10 or 15 months ago. I feel that the performance will have to improve considerably if Canadians are to believe one minuscule part of what they are trying to say.

At least the former minister of transport had one saving quality or grace: when he thought there was a mess, he said so. He admitted there was a mess in his department. If the Prime Minister has a mess, he does not recognize it. The Prime Minister is now trying to reverse himself, do a 180 degree turn and say to the Canadian people, "Look, I was not wrong in July, 1974. I am still not wrong in October, 1975. Circumstances have just changed. All I want to do is be elected. This was my prime aim in July, 1974, and again in 1975 I will lead you through the wilderness." Well, the wilderness has been created by this government.

The bill now before us is to combat inflation. It is entitled "An act to provide for the restraint of profit margins, prices, dividends and compensation in Canada". Our rate of inflation is double-digit, roughly twice that of the United States. We decried them; this government criticized the United States and its investment in this country. They have used good principles. I think it is often a knee-jerk reaction because it is from the United States. They say we are still better off because we have twice what they have in the United States. Also, we are much ahead in our inflation rate compared to the European Common Market.

Our rate of unemployment stands at 7.2 per cent. The only saving factor is that in some areas such as the prairies, commodity sales have been very strong internationally and prices have been holding. If that were not the case, unemployment in this country would be higher, certainly in the prairie region. We must recall the history which has brought us into this current economic crisis, this mess I have mentioned. We all remember 1968 when a then unknown man was elected as Prime Minister. At that time, he declared that inflation was public enemy number one. Of course, he is now public enemy number one. However, in 1968 it was inflation.

The government embarked on various policies. This resulted in increased unemployment and the fight against inflation was quickly abandoned. Less than two years after the pronouncement that inflation had been singled out for defeat, the Prime Minister clearly stated that inflation had been wrestled to the ground. To my mind, it was just another con operation of a master artist. He has been doing this from 1968 on, trying to show the Canadian people the side of the coin he thinks is most acceptable for his purposes at any given time.

● (1740)

In 1972 we saw evidence of a backlash on the part of many Canadians. They rapped the government's knuckles. Then a curious thing happened. From 1972 to 1974 another picture was painted by the chief architect of this mess, the Prime Minister. He said we could do nothing about inflation because inflation was imported from beyond our shores. We have always conceded that a certain amount of inflation has been imported, but we were also contending that as a sovereign people there were certain things we could do to reduce the domestic component of inflation. But to suit his short-term political purposes, the Prime Minister sought to convince Canadians we could do nothing about inflation. In the meantime, I suppose, the backroom boys were wringing their hands, hoping that the terrible Americans, the ugly Americans as many in the government think they are, would bounce back and that the economic picture generally would brighten.

We come to 1974. That also is history. As a party, we did not receive the support of the people for our economic policy. We accept this. But at least in 1974 the people in Canada had a choice between the party now in power and the official opposition. We have no regrets for having placed before the Canadian people what we thought was needed by the economy at that time. Sometimes it is important to take a position which is honest, one which you know in your heart to be right and one which does not compromise your integrity, rather than adopt a short-term political solution as the Prime Minister did.

In taking the position he did, the Prime Minister had in mind short-term political advantage in the election in 1974. I might say in passing that the Premier of Manitoba became an embarrassment to his friends in the House, the members of the New Democratic Party, because he, too, said, after examining the situation, being a man of honesty and integrity, that we were going down the road of inflation so quickly that a policy of price and income restraint ought to be imposed. He was faced at the time with meeting a level of payment to public servants in Manitoba which he said the province could not afford. While mem-

bers of the NDP think highly of the Premier of Manitoba on some issues, they have been crawling all over trying to hide from the fact that he took the position he did on the issue of price and income controls. At least he is one member of the NDP who did not try to foster the idea that he alone was a friend of labour and that nobody else was.

As I say, 1974 is history. Today, roughly 15 months later, we are witnessing a 180 degree turn in government policy, and members on the government side are strangely silent. I believe that people can change their minds. After being apprized of new conditions, people can change their minds, and that is fair. But to this day, even though he is trying to put a prices and incomes policy in place, the Prime Minister has lacked the decency to get up and acknowledge that many of the things he said in 1974 were for short-term political party purposes only. He has not had the integrity to say to the Canadian people, "The government is largely responsible for the present rate of inflation. We must get together to improve the situation. We were wrong as a government, and now we must reverse our position."

Instead, he wishes to claim that the government is always right; that the government always knows best. Mr. Speaker, that is not good enough. Canadians today are angry and they are confused. They are angry with the government for not telling them the truth, and they are confused because they see the government embracing a prices and incomes policy when only 15 months ago it said such a policy would not work.

What are Canadians supposed to believe next? It is the role of government to lead, but in order to lead it is necessary to gain respect. I put this question to members opposite: What are Canadians to believe, when they find the government asking them to accept a policy which only 15 months ago it completely rejected? Are they to believe that the government is willing, finally, to take action of a kind it sincerely believes is for the good of the nation, or are they supposed to retain the cynicisms many of them have acquired and say it is just another Liberal ploy to reduce the pressure and produce political gains? This is a serious question, and it is one which affects not only members of the government but every elected representative in Canada.

For too long Canadians, as a result of experience, have been saying that what politicians promise during elections and what they do afterward are entirely different things. The Prime Minister's performance on economic matters is one of the principle obstacles upon which Canadians stumble. It is this which has made them so confused.

What has been the government's response to the situation today? It has presented Bill C-73, a far reaching measure and one which I personally would like to support because I feel it is indeed necessary to exert control over the economy. But I simply cannot trust the Prime Minister with the powers this legislation would give him. I simply do not respect him sufficiently to assume he will exercise integrity, a quality which to my mind has been sadly deficient. I believe many Canadians today believe in their heart of hearts that the right hon. gentleman was less than honest in his presentation back in June of 1974.

I want to make this point clear: in the hands of a leader with integrity, the bill could be effective. What has happened? In the white paper that the government brought forward it was clearly stated that food and fish products would be exempted from the guidelines. No sooner was the white paper handed to us than the crew of expatriate Liberals who have become heads of the Anti-Inflation Board appeared on television. I do not know whether we should call them the "Jean and Beryl show", but unfortunately they are guaranteed a much longer run than most poor television shows have the right to run. I am afraid that this particular show will be going on for at least three years.

● (1750)

One of the first things that they said would be examined was marketing boards. When I was back home last weekend the farmers were asking me, what are we to believe? On one hand the farmers know they will be affected by these controls, yet it was clearly stated in print that food products would be exempt from controls. Nevertheless, the two principal members of the board have stated that one of the first things that will be examined is marketing boards.

I should like to read into the record part of an article that appeared in today's Ottawa *Journal* in which the Canadian Federation of Agriculture took on some of the statements that the chairman of the Anti-Inflation Board has made respecting marketing boards. Mr. Gordon Hill, president of the Ontario Federation of Agriculture, is quoted at length. He feels already that the chairman of the board has been influenced by the bias that his vice-chairman, Beryl Plumptre, has against farmers and their products and the position that they have in Canadian life. In the article, Mr. Hill is quoted as follows:

> Farmers received 10 cents or 12 per cent of the 84-cents retail price for cottage cheese this year. They received between 8.3 and 12 per cent of the retail price of processed fruit, pears, peaches and prunes; 30 cents or 55 per cent of the price of retail milk; between 3.2 and 12 per cent of the cost of processed vegetables, peas, tomatoes, corn and carrots.
>
> They received about 74 per cent of the retail price of eggs last January, and 76 per cent of the retail price of top-grade steers.

Those are not my figures, Mr. Speaker; they are the figures of the Ontario Federation of Agriculture which today, along with many farmers across the country, is deeply concerned whether we can believe what the Prime Minister says. Further, Mr. Hill is reported as saying that farmers have had to face baler twine prices that went up by 400 per cent between 1972 and 1974, and ammonium nitrate fertilizer price increases of 152 per cent from February, 1973, to the same period of 1975. This litany could go on and on, Mr. Speaker. Therefore, once again I ask whether we can believe what the government says about agricultural products.

With regard to CEMA, all of us in the House know that the board has had serious difficulties. I do not want to get involved today in a philosophical argument as to whether marketing boards are good or bad, but I do want to point out to hon. members on both sides of the House that the farmers have the right to get together as processors and to organize, if they feel that this is the best way to protect their interests, every bit as much as any other group in society.

For example, we have trade associations, labour unions and associations of every colour and creed, one might almost say, in this country. Yet when farmers protect themselves in order to get some return on their investment and keep the family farm going, we get to our feet and scream that the price of food is too high. I suggest that when the chairman of the Food Prices Review Board says that eggs have gone up too much in price during the last year because they have increased 20 per cent—20 per cent of a loss position—she should be enough of an economist to know that the farmers cannot produce on that basis.

Further, I seriously question what is going to happen regarding investment and maintaining business confidence. As we know, profits are to be frozen at last year's level. While business in a sense has been granted a COLA clause which labour has fought for for some time, so that business can pass on direct added costs, I am very concerned over the long term about what is going to happen to business investment if dividends are to be frozen. Let me give the House one example. Credit unions hand out dividends at the end of the year. If the dividend this year is higher than last year, does this mean that this is an excess profit to be entirely taxed away by the government? That is a question to which I have no answer.

On one hand, Canadians today are angry; on the other hand, they are saying to themselves, "We must go along with a policy and program that at least has a chance of working." I think it can work if certain conditions are met. These conditions are, first of all, that the government takes a major step away from its previous performance; we must convince the people of Canada that the government is worthy of leading, and Canadians must follow the government.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Turner (London East)): It being six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 23, 1975

The House met at 2 p.m.

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Jacques Lavoie, Esquire, member for the electoral district of Hochelaga.

NEW MEMBER INTRODUCED

Jacques Lavoie, Esquire, member for the electoral district of Hochelaga, introduced by Mr. Robert L. Stanfield and Mr. Claude Wagner.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

SUGGESTION PRESIDENT OF TREASURY BOARD ASSUME RESPONSIBILITY FOR RESUMING NEGOTIATIONS WITH STRIKING WORKERS—MOTION UNDER S.O. 43

● (1410)

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise on a question of pressing necessity under S.O. 43. Judging from the massive protest that is building up in the country following the closing down of Canada's postal service, it is clear that the resolution of the postal confrontation is essential to the success of the government's restraint program, and in view of the fact that the union officials have publicly stated their desire to resume negotiations across the bargaining table rather than continue the exchange of insults through the media, a viewpoint that was supported by the Postmaster General (Mr. Mackasey) in the House yesterday, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That the President of the Treasury Board assume his responsibility in getting the parties back together at the bargaining table so that everybody's face can be saved, the postal workers returned to their jobs and Canadians provided with vitally essential mail service.

Some hon. Members: Hear, hear!

Mr. Speaker: Under the provisions of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PUBLIC SERVICE

REQUEST FOR DETAILS AND DATES OF APPROVAL OF SALARY INCREASES FOR EXECUTIVE CATEGORY—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the concern expressed by many Canadians that the government's controls program is not fair, and in view of the government's obvious desire to allay that concern, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the Prime Minister to make a statement on Motions outlining in detail the circumstances surrounding recent salary increases for deputy ministers and senior executives in the public service, including the dates on which the Cabinet gave formal approval for these increases, the dates they were signed, the magnitude of the increases and whether they conform with the spirit of the government's guidelines.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House on this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CONSUMER AFFAIRS

SUGGESTED RESTRICTION OF IMPORTATION OF BEEF—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

In view of the increasingly serious conditions which are now facing Quebec beef producers as regards ridiculously low prices and marketing problems, due to an excess of that product on the Quebec market and in view of the fact that the federal government tolerates and even promotes massive beef imports especially beef cuts and that on the other hand, the Department of Agriculture allows, as a result of its inaction, ever rising production costs, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House may now discuss that matter to clear the situation and take immediate concrete steps to improve those shocking conditions which could lead many other producers on the verge of bankruptcy and create a severe shortage of beef followed by a staggering rise in consumer prices before the 80's.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REACTION OF PUBLIC TO PROGRAM AND POSSIBILITY OF CHANGES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the Prime Minister's statement that widespread public acceptance and co-operation is necessary to the success of his restraint program, and taking into account the observation made in the media by at least some journalists who have been travelling with the Prime Minister during the last couple of days that the program is off to a shaky start, would the Prime Minister give the House his own brief assessment of the public reaction he encountered in the country?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. If this can be done under the rules I would gladly report briefly on my travels to Saskatchewan and Manitoba over the past two days, and gladly report from time to time. I am going to spend some time in Toronto tomorrow and next weekend in Quebec.

Mr. Speaker: Particularly at this stage of the question period I am reluctant to interrupt this process, but it seems to me that the question asks for an opinion and reaction in respect of the Prime Minister's visit. This is a question between the Leader of the Opposition and the Prime Minister. I hesitate to interfere, but with reluctance I think I have to ask the Leader of the Opposition to be a little more specific.

Mr. Stanfield: Mr. Speaker, I shall not argue the point. I thought it would be very useful to the House to have the Prime Minister's very brief reaction to what he encountered. On the eve of the legislation probably being referred to the committee, can the Prime Minister tell the House if he has any initial impression of changes which may be necessary to make the program more acceptable to the country?

Mr. Trudeau: I can answer that briefly, Mr. Speaker. Certainly at many of the meetings I had as part of the consultation on the guidelines and regulations to be applied, I had reactions which could be classified under two groups. The first group, which roughly concerns businessmen, professional groups, people in financial areas and people in the trades, asked brief questions concerning how the guidelines would apply to them in their particular businesses. If I can judge and reflect fairly on this opinion, they were well prepared to support the government on the principle. They wanted to make sure that in detail it would be workable and practical.

The second type of reaction is one I had in meeting with one labour group in Regina, the Saskatchewan Federation of Labour. They indicated quite clearly in a written brief that they submitted to me, which I am sure can be submitted to the Leader of the Opposition, that they were in favour of price controls but not wage controls. They thought wage controls, as they appeared in our program, would be effective but that price controls would not. I discussed this with them for some time and indicated that we wanted the price controls to be effective, as well as controls on other incomes than on wages, and that we would be happy to implement that intention by modification if necessary of the guidelines and by strengthening the regulations. I urged them to be constructive in their suggestions. Since they started with the suggestion that price controls were necessary, I pointed out to them that price controls indeed were a part of the guidelines. If they could not be implemented in the present form I urged them to make constructive suggestions to me.

Mr. Stanfield: Mr. Speaker, would the Prime Minister indicate if he has reached any conclusion concerning whether any changes are necessary to make the program more widely acceptable, and would he indicate in a very brief way what the nature of those changes might be?

Mr. Trudeau: No, Mr. Speaker. The meeting took place yesterday. I indicated to them that of course in meetings such as this we were looking for concrete ways to make the guidelines more workable, that we knew there were some difficulties which had to be solved, that it would be some weeks before the regulations would be published and that we would want to hear from members from both sides of the House at the committee stage and that therefore they had a little while to make their suggestions. We, of course, are working all the time to implement better guidelines. I would just add that so far as I was able to judge, the farming communities of Saskatchewan were four-square behind these guidelines.

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PUBLIC SERVICE

DATE OF ORDERS IN COUNCIL APPROVING SALARY INCREASES FOR EXECUTIVE CATEGORY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Prime Minister. Bearing in mind the maximum $2,400 guideline ceiling on salary increases, would the Prime Minister indicate on what date orders in council or a Treasury Board decision were recorded establishing up to $6,500 per annum increases for top public servants, an increase ten times the amount of the minimum $600 guideline figure for low income workers and an increase higher than the annual personal earnings for 40 per cent of the taxpayers in this country?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the recommendations concerning the executive group of the public service were accepted in cabinet, with modifications, last July—to be precise on July 24. We had received in April the report of the Lambert committee indicating certain new ranges. We studied these new ranges and modified them somewhat, and then on July 24 we accepted these new ranges with the proviso that the increases as a total would not be beyond 10 per cent. We were, in a sense, anticipating the guidelines at that time. I am told that when the calculations and the slotting were made within those ranges they arrived at an average of 9.3 per cent as the total increase as the result of the decision we took last July. The present period extends from last April to next April, and in so far as any further slotting is concerned I can assure the House that it will be well under not only the 8 per cent or 10 per cent guidelines, but that the ceiling of $2,400 will apply.

DATE OF TREASURY BOARD APPROVAL OF SALARY INCREASES FOR EXECUTIVE CATEGORY—REQUEST FOR TABLING OF TREASURY BOARD MINUTE

Mr. Sinclair Stevens (York-Simcoe): I have a supplementary question for the Prime Minister. Would the Prime Minister indicate whether in fact the finalization of this increase was assigned to the Treasury Board and, if so, would he indicate on what date the Treasury Board finalized the increase and when was the minute signed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is important for members of the House to understand that when we made the decision in July, it was a decision as to the ranges which would be applied to every civil servant at a senior executive level. The actual slotting is done by way of a rather lengthy process in a cabinet committee, assisted by senior officials, which looks at the performance of each individual and decides how that individual performs and whether he should be slotted high, medium or low in the range. This process began after the July authorization by cabinet and it went on for a period of several weeks. I think that probably in August not a great deal of work was done, but the whole matter was carried out between August and two weeks ago.

Mr. Stevens: I have a final supplementary question for the Prime Minister. In view of the fact that the Treasury Board minute covering this increase has not been delivered to the order in council office, would the Prime Minister table the Treasury Board minute in which these increases were finalized?

Mr. Trudeau: I do not have this minute. If it is customary to table such minutes, I will do so. I believe that in the normal course of events they appear in the *Canada Gazette* with the date. I believe that the appendices to these minutes are confidential and that they give the exact point in the slotting, but the general range is given in the order in council. I would have to verify whether the order in council is published in the *Canada Gazette.*

SUGGESTION SALARY INCREASES FOR EXECUTIVE CATEGORY APPROVED AT SAME CABINET MEETING AS CONTROL PROGRAM ADOPTED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Prime Minister of which I have given him notice which follows on the previous questions. Can the Prime Minister inform the House whether the salary increases for deputy ministers to which reference was made were given final and formal approval, not just accepted, at the last cabinet meeting before the Prime Minister's Thanksgiving announcement of the control program, the same cabinet meeting at which the control program was finally adopted, as I have heard from some one close to the Prime Minister?

Mr. Speaker: Order, please.

Mr. Nystrom: My supplementary question, Mr. Speaker, as I have touched a sensitive spot—

Mr. Speaker: Since the hon. member is the lead off questioner, I do not want to interfere unduly with his right to ask a supplementary question, but a supplementary question really must arise, or ought to arise, out of an answer given. If a question meets with no answer, it is very difficult to imagine how a supplementary question could be allowed. However, perhaps the hon. member might try one more question.

Mr. Nystrom: I shall rephrase the question. In view of a statement today by a spokesman in the Prime Minister's office suggesting that orders in council have been signed in the last two weeks increasing the salaries of 250 senior public servants, as well as a statement by someone close to the Prime Minister that the final and formal decision was made at the same cabinet meeting which finally approved the guidelines, would the Prime Minister be in a position to indicate to the House on motions or to table in the House all of the agreements and documents which we are asking about as to when final and formal agreement was given for these salary increases?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the final and formal agreement was given on July 24. I repeat that following July 24 the process of slotting goes on, which takes place every year, and this follows the recommendations of the advisory council on executive salaries. It goes on every year to judge the performance of the various civil servants. This sometimes takes weeks; sometimes it takes months.

I repeat my earlier answer: if this type of order in council is published in the *Canada Gazette,* the hon. member will know the date or dates. It may have been something which Treasury Board decided at one or several meetings; I do not know. It is even possible that the cheques themselves have not gone out, or they may have gone out. I do not know the answer to that either. I have not received any thank you letters yet. I do know that, as in every year, we look at the report of the advisory committee, and at some point in the year the cabinet decides to accept it, reject it or modify it. This was done last July.

Mr. Nystrom: Were those orders in council finally agreed to at the last cabinet meeting prior to the

announcement of the Prime Minister on television implementing controls for other Canadians? Is that when they were finally agreed to?

Mr. Trudeau: I do not usually give the precise agenda of each cabinet meeting, but since the hon. member is so insistent, I can tell him no, the last cabinet meeting before the speech I made on that Monday night did not adopt any order in council attributing or slotting civil servants to any particular places in the range. This was delegated by cabinet to some committee of cabinet, and it was instructed to follow the ranges as we adopted them last July, July 24, to be precise. This year, because we were so late and because the salaries were supposed to be changed last April, I did not myself chair the committee, which considers this individual slotting which I usually do. I referred it to another committee.

* * *

[*Translation*]

CONSUMER AFFAIRS

REASON FOR DIFFERENTIAL IN GASOLINE PRICES IN VARIOUS PARTS OF QUEBEC

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources.

Could he inform the House whether he is aware that gasoline costs as much as 10 cents more a gallon in northwest Quebec, Gaspesia and the north shore as compared with the south of the province and, if so, could he tell the House what he intends to do about it so that people in the northwest areas and Gaspesia are not forced to pay gasoline at a higher price than elsewhere, while taking into account the cost of transport which is obviously lower than 10 cents a gallon?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. gentleman should address that question to his provincial ministers. The federal government does not have the responsibility of setting retail prices, but we have introduced guidelines which affect the flow through of costs, that is to say, the wellhead price of $8 per barrel through to the final user. At that point the federal government comes into play, and we apply those particular guidelines.

* * *

POST OFFICE

GOVERNMENT INTENTIONS WITH REGARD TO DURATION OF STRIKE BEFORE LEGISLATING EMPLOYEES BACK TO WORK

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Prime Minister, and it relates to the postal strike. Can the Prime Minister tell the House how long back-to-work legislation will be postponed? If it is to be a long strike as the Prime Minister said, how long will this House wait before asserting the public interest?

[Mr. Nystrom.]

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): On this side of the House, Mr. Speaker, we consider that freedom of association is also in the public interest. It seems to me that the question as asked by the hon. member is assuming the contrary. That is not our view.

Mr. Fraser: A supplementary question. Can the Prime Minister tell the House just what the government's policy is with respect to the postal strike? Specifically, does the Postmaster General have the support of the government when he talks about a three months strike or, as he said two days ago, a strike until Easter?

An hon. Member: Or a year?

Mr. Trudeau: Mr. Speaker, the Postmaster General has the support of the government.

Mr. Fraser: A further supplementary, Mr. Speaker. Is it the intention of the government to starve out the union at the expense of Canadians who depend on the postal service? Has the government adopted Joe Davidson's war cry—"To Hell with the public."

SUGGESTION PRESIDENT OF TREASURY BOARD ASSUME RESPONSIBILITY FOR RESUMING NEGOTIATIONS WITH STRIKING WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my supplementary question is for the President of the Treasury Board and it relates to the motion under Standing Order 43 that I moved at the beginning of this sitting today. The minister has not been with us for the past two days, but I think he will agree that the resolution of the present confrontation between the union and the Post Office Department is essential to the success of the government's restraint program. Now that union officials have publicly indicated their desire to resume negotiations across the bargaining table rather than by an exchange of insults in the media—this viewpoint was supported by the Postmaster General in the House yesterday—will the President of the Treasury Board assume his responsibility and get the parties together so that this matter can be resolved and the public interest protected? The solution is in the government's hands.

Hon. Jean Chrétien (President of the Treasury Board): Firstly, Mr. Speaker, I was here Tuesday. Yesterday I was at the federal-provincial conference. I think in this situation the Treasury Board has assumed all its responsibilities. We have been at the negotiating table and have worked in close collaboration with the Postmaster General and his officials. We are anxious to resume negotiations and find a solution to the problem, but I think this has to work on both sides. If they want to meet us, I am sure the Postmaster General will agree with me that we are willing to sit down and negotiate with them. I think we were doing very well over the weekend and if we can resume the talks we would be willing to make progress.

WILLINGNESS OF POSTMASTER GENERAL TO RESUME NEGOTIATIONS WITH STRIKING WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question for the Postmaster General, Mr. Speaker. Has the minister indicated his willingness to resume negotiations as he indicated in the House yesterday? If he has given that indication to the postal union what has been their response?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am very grateful for so many helpers and volunteers after ten months of continuous bargaining.

An hon. Member: You need all the help you can get.

Mr. Mackasey: It is very helpful to know I have the support of so many members. I made it clear yesterday—I think we should make it very clear that we did not issue an ultimatum. We did not—

An hon. Member: What do you call it?

An hon. Member: Come on, Bryce.

Mr. Mackasey: We did not break off talks. We simply made it very clear that when the union felt that our wage package and terms were satisfactory—we felt the talks had been going so well we should get up to that level immediately and not wait days to get up to that level—we were prepared to sit down and start negotiating other outstanding items that have monetary implications as well. We simply suggested that rather than have four or five meetings, as we did on Sunday, the union take the time and come back when they arrive at that conclusion. The union broke off talks at eight o'clock Sunday night in order to find out if this package was acceptable or not. We are still waiting for their reply. Talks have broken off only in the opinion of members opposite.

I might make another point—

Some hon. Members: Oh, oh!

An hon. Member: Oh, come on!

Mr. Speaker: Order, please. If I am going to restrict members of the opposition in making arguments I should do the same in respect of the government.

Mr. Dinsdale: Mr. Speaker, I wonder if the Postmaster General would answer the specific question because I think it is vitally important to the success of the government's program. It is my information that the union wants to get back to the bargaining table. Have they been invited back to the bargaining table and if so, what has been their response?

Mr. Mackasey: Mr. Speaker, I can only repeat what I have said—

An hon. Member: Don't do that.

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Mackasey: We never broke off negotiations. I am surprised that the opposition takes the matter so frivolously that they do not want an answer.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Mackasey: Mr. Speaker, I would suggest to the hon. member, for whom I have great respect, that he be careful of his sources of information. If we acted on his advice, if we are to de-escalate the public debate, it would be made much easier if questions did not tend to create that public debate and—

Some hon. Members: Oh, oh!

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF PERSONS RETIRING AT AGE 65 TO FURTHER BENEFITS

● (1440)

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, before asking my very first question in the House, may I assure you as well as all my colleagues from both sides of the House, of my full co-operation.

I should like to put my question to the right hon. Prime Minister to whom I respectfully convey the salutations of Montreal-Hochelaga. Can the Prime Minister, who in his message to the nation the day before October 14 expressed concern for senior citizens within his anti-inflation program and a just society philosophy, assure the House that his government will amend Bill C-69 so as to guarantee Canadians 65 years old or more that as in the past, they will be entitled to full payment when they leave a job?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for his promised co-operation. I am sure that if he shows much perseverance, he will continue to ask questions in the interest of his Hochelaga constituents rather than partisanship. Although this is an approach which requires great courage, I am sure he will not spare his efforts. The hon. member is certainly aware that the government has increased the pensions paid to the aged. Indeed we apply the escalation provision to the Old Age Security pensions, so that these pensions are geared to the cost of living index. There is no limit to this escalation. Therefore, it is not so much at this time a question of deciding how we can help them more. We are concerned now with a program which will hopefully put an end to inflation, and it is the purpose of the bill before the House. The hon. member certainly understands that it is not in the interest of this war which we all together want to wage against inflation to include in this bill other objectives, however desirable they may be, which might delay its adoption.

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—EFFECT OF GUIDELINES ON DIVIDEND PAYMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on Tuesday I asked the Minister of Finance a question about the application of the guidelines to dividend payments. I wanted to know if there was to be an actual freeze or a rollback to levels actually paid in 1974. The minister indicated he would look into this. Is he now in a position to tell the House just what the government's policy is in this regard?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker. The concept was that it should be on a cash rather than an accrual basis. This is the sense in which it was considered in the white paper. I should say, as I am sure the hon. member has noted since then, that there have been some representations suggesting that a basis other than the cash basis would be equitable. I have not had an opportunity to discuss this further, because of the federal-provincial meeting, but will give early attention to it and consider the relative merits of the two proposals.

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TRANSPORT

INTERCITY RAIL PASSENGER SERVICE—NATURE OF REPLY TO PROPOSAL BY RAILWAYS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is for the Minister of Transport. Last Tuesday I asked him a question concerning the submission in the letter of December 20, 1974, by the presidents of the two national railroads for an integrated, intercity rail passenger service. The proposal was for the entire nation. Has the minister considered the correspondence; can he advise the House if the letter was replied to, or even acknowledged and, if so, can he tell us what was the nature of the reply?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the letter was replied to and, basically, was followed up with further discussions with our railways. Obviously, there will need to be intensive discussions about any possible proposal and, indeed, consideration of a variety of legislative and other changes in our law and policy before a particular program can be put forward.

INTERCITY RAIL PASSENGER SERVICE—SUGGESTED HIGHER PRIORITY FOR PROGRAM AND ALLOCATION OF FUNDS TO REPLACE EQUIPMENT

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker. Actually, may I incorporate two questions in one supplementary question? May I ask the minister if the proposal of the railways means that there is to be an improvement in the low priority which the government in its policy paper proposals and the Ministry of Transport has given to rail transportation. Is there to be higher priority for rail transportation? Also, in view of the cancellation of Pickering airport, will the minister allocate funds which would otherwise have been spent on Pickering airport to the purchase and refurbishing of passenger train equipment, as two years lead time is required and in view of the amount of existing railway equipment which must be scrapped?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, of course, I do not agree with the hon. member's view of the priority this government puts on rail passenger traffic. Indeed, that has formed an important part of our policy. It is, however, a complex matter and should not be related to whether or not a particular airport is to be constructed, as the hon. member suggests. But it is a complex matter, requiring a sound foundation for restructuring. We are treating it seriously in that light and will come forward in due course with proposals.

* * *

WEIGHTS AND MEASURES

POSSIBILITY OF PRICE INCREASE RESULTING FROM ADOPTION OF METRIC SYSTEM—GOVERNMENT POSITION

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Today's *Globe and Mail* cites an example of how the consumer can face a hidden price increase of 20 per cent as a result of new metric packaging. Can the minister tell the House what steps his department is taking to avoid such errors, be they "human" or otherwise?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I made inquiries about this particular matter before the question period today and was advised that Dominion stores, the company concerned in this case I believe, has taken steps to ensure that adequate information is provided. We are also looking for techniques by which either the Metric Commission or some emanation of it would be empowered to deal with this kind of situation on an ongoing basis, if it should occur again.

* * *

AUDITOR GENERAL

DATE OF INTRODUCTION OF LEGISLATION TO IMPLEMENT WILSON REPORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the President of the Treasury Board—if he would kindly divert his attention from what he is doing. He may be getting the answer now, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Baldwin: Following the Prime Minister's suggestion to be persistent, may I ask the minister the following question? Now that the report on the Auditor General has existed for some months and in light of the over-riding need for this government to demonstrate its determination to eliminate the waste and extravagance which have persisted in its spending for some time, will the hon. gentle-

man now indicate if he is going to implement the undertaking he made to me and to this House last summer and immediately bring in a bill to carry out the provisions suggested in the Wilson report regarding the powers of the Auditor General?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, as I said a few months ago, I intend to proceed, and the government agrees on most of the recommendations in the Wilson report. As regards the format the legislation will take, we are not ready yet to make it public but we will do so the moment we can.

[*English*]

SUGGESTED REFERRAL OF WILSON REPORT TO COMMITTEE TO RECOMMEND DRAFT BILL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a supplementary question to the President of the Privy Council? If it is beyond the capacity or desire of this government to bring in such a bill, would the government consider referring the matter to the Public Accounts Committee, so that it may, in view of the government's default, bring in recommendations for such a bill?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I regret that I did not hear the question which was directed to my colleague, the President of the Treasury Board and am afraid I cannot answer the hon. member. But I always take under consideration any suggestion made by my hon. friend, the House leader of the official opposition, and assure him that I will give his question my sympathetic consideration, if not my agreement.

* * *

AGRICULTURE

REQUEST FOR SUPPORT PRICES FOR CALVES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Agriculture. In view of the lateness of the season and the desperation of many cow-calf producers across Canada, and as Her Majesty's official opposition supports the agricultural price stabilization legislation, will the minister not declare immediately that the government will provide support prices for calves under the terms of that legislation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have decided to provide support prices for beef, which will run from August 12 to the end of December, and a new program will begin on January 1, for the beef industry for the next year.

* * *

HOUSING

REQUEST FOR EXTENSION OF ELIGIBILITY PERIOD FOR $500 GRANT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of State for Urban Affairs and is supplementary to the question asked yesterday by the hon. member for Parry Sound-Muskoka. As many Canadians have committed themselves to the purchase of new houses on the basis of the government's promise of a grant to first time home owners—indeed, many such people have committeed the grant itself as part of the down payment—and as they may be prevented from collecting these grants because of strikes or by delays caused by labour difficulties, and so on, has the minister given special consideration to the plight of these Canadians in order to ensure that they may receive the first time home owners grant and are not denied the grant because of circumstances beyond their control?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, yes, I have given thorough consideration to that problem. As grants are to be cut back, as announced, after the occupancy date of October 31, there is an obvious problem for those people who have entered into purchase agreements and have bona fide documentation. For those people who have entered into agreements in good faith and who, because of strikes or others reasons, are not able to move in before that date, I have extended the eligibility period until December 31.

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POST OFFICE

PROPOSAL TO ALLOW PRIVATE CARRIERS TO DELIVER MAIL—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Postmaster General. Can the Postmaster General inform the House if he has any plans to allow private carriers to deliver first class mail, any other sort of mail or parcels during the Post Office strike, and would he consider initiating discussions with the Air Industries Association and the Canadian Truckers Association, to assure that the fullest possible use is made of alternative delivery services in the absence of regular postal service?

● (1450)

Hon. Bryce Mackasey (Postmaster General): Other than first class mail, there is no limitation on competition. As the hon. member knows, many private couriers are delivering mail at this very moment. The only limitation is the statutory one on first class mail and its removal would require legislation.

Mr. McKenzie: The minister did not answer my question. Would he consider meeting with these associations? I spoke with them this morning. They would be willing to sit down with the hon. gentleman and discuss alternate ways of delivering mail.

Mr. Mackasey: I am aware of the representations but I think it is a little premature to be encouraging our competition. I appreciate the hon. member's representation but I would point out once again that under the law we did not lock anybody out; they walked out on their own. There may be a moment when we shall have to do just that very thing, but I hope not.

[*Translation*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF PERSONS RETIRING AT AGE 65 TO FURTHER BENEFITS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the right hon. Prime Minister.

I apologize for taking his time. My question is complementary to that of the hon. member for Hochelaga, and deals with a proposed amendment to Bill C-69 concerning unemployment insurance. At the present time, 65-year-old persons who retire are entitled to unemployment insurance benefits for a number of weeks prescribed by the act. Now, the amendment proposed in the bill would limit that number of weeks to three.

May I therefore ask the right hon. Prime Minister whether, considering the many representations made in that regard, he would accept that the bill be amended in such a way that 65-year olds continue to receive those benefits for at least a year so that those who will be 65 in the future may become familiar with the new policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that the hon. member is anticipating the debate which will be held as early as next Monday, if I understand correctly what the House leader said. We must discuss that bill. The hon. member's question as well as that of the hon. member for Hochelaga are arguments. Hon. members will have the opportunity to express them during the debate. The minister will be present to answer them, and they can also be discussed in committee.

* * *

FINANCE

REQUEST FOR THE INDEXATION OF MINIMUM WAGE

Mr. Serge Joyal (Maisonneuve-Rosemont): I should like to like to put a question to the Minister of Finance.

Can he tell the House whether he had the opportunity, yesterday, of making representations to his provincial counterparts asking that the salaries of workers governed by the minimum wage not be frozen but that instead the minimum wage be indexed upon the standards proposed in Bill C-73?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we discussed the matter of the minimum wage with the provincial representatives and suggested that the increase in the minimum wage be discussed this afternoon with the Minister of Labour (Mr. Munro). We were made aware, however, as in the past, that some provinces are opposed to an unduly high increase in the minimum salary. On the other hand we are quite concerned about that group of wage earners in our society, and are willing to discuss, with the provinces, the concept of a general increase in the minimum wage.

[Mr. Mackasey.]

[*English*]

POST OFFICE

WILLINGNESS OF POSTMASTER GENERAL TO RESUME NEGOTIATIONS WITH STRIKING WORKERS

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Prime Minister or the Postmaster General and is related to previous questions. Would the Prime Minister or the Postmaster General be prepared to contact the postal union's negotiating committee today in an effort to resume bona fide bargaining and get the Post Office back into operation?

Right Hon. P. E. Trudeau (Prime Minister): I gave earlier, the assurance that the Postmaster General had not only the support but the enthusiastic support of the government. His door is always open to any resumption of negotiations. If any assurance is needed, I can assure hon. members opposite and the members of the postal union that if they want to talk to the Postmaster General he will be happy to talk to them.

An hon. Member: But will he listen?

* * *

PUBLISHING

DATE OF DECISION ON CANADIAN CONTENT REGULATION FOR PUBLICATIONS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Revenue. Has the cabinet yet accepted recommendations about Canadian publication content rules and the meaning of the term "substantially different" and, if so, when will regulations be announced? Does the government contemplate having to amend Bill C-58?

Mr. Speaker: The hon. Minister of National Revenue.

Some hon. Members: Hear, hear!

Hon. Jack Cullen (Minister of National Revenue): I thank the House for its generous applause—perhaps the last time Canada's tax collector will be so treated.

I should like to say, first that the meaning of the words "not substantially the same" as far as the bill is concerned will be interpreted by my department as being at least 80 per cent different. The information is being made public at this time so that the parties concerned will have it. This, of course, is contingent upon the passage of Bill C-58, but as a courtesy to the parties concerned I felt it appropriate we should indicate what our position was.

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POST OFFICE

WILLINGNESS OF GOVERNMENT TO RESUME NEGOTIATIONS WITH STRIKING WORKERS UNCONDITIONALLY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Postmaster General. In the light of the

minister's statement that Treasury Board is prepared to resume negotiations with the postal workers I should like to ask whether the government negotiators are prepared to resume negotiations unconditionally in the true spirit of collective bargaining?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, one would think a member of that particular party would understand something about collective bargaining. If he did, he would not do it in the House of Commons and he would have more intelligence than to ask stupid questions.

Some hon. Members: Oh, oh!

Mr. Symes: Mr. Speaker, I think we see why there is such a problem in the Post Office.

Some hon. Members: Hear, hear!

Mr. Symes: I have been informed by the postal workers that they are prepared at two hours notice to sit down and negotiate on unconditional terms as is customary in negotiations. The minister has issued an ultimatum that they cannot negotiate a total package but must accept the wage offer.

Mr. Mackasey: The hon. member and about 250 other people have conveyed that message to me. When the union conveys it to me we shall resume negotiations, and not before.

Some hon. Members: Hear, hear!

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CRIMINAL CODE

POSSIBILITY OF FREE VOTE ON CAPITAL PUNISHMENT MEASURE

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct my question to the Solicitor General. It arises out of the government's announced intention to stay the commutations of those persons now in jail awaiting a decision on their commutations. The government has announced its intention of bringing in legislation. It is the government's intention to follow the practice which has been followed on numerous occasions of allowing a free vote on the question of capital punishment in the legislation?

Hon. Warren Allmand (Solicitor General): We did not stay the commutations of those three gentlemen; we stayed their dates of execution until next summer. With respect to the substance of the question, I can only tell the hon. member that no decision has yet been made.

Mr. Horner: Am I to assume from the minister's answer that the cabinet is seriously considering allowing a free vote on this subject in the House?

● (1500)

Mr. Allmand: Mr. Speaker, there are many proposals which have been suggested to the cabinet, not only by people inside the cabinet but outside.

Business of the House

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I should like to ask the government House leader the usual Thursday afternoon question: What are his intentions with regard to legislation in the House over the next week or ten days?

Mr. Sharp: Mr. Speaker, there seems to be a reasonable expectation, if not a certainty, that the bill now under discussion will be disposed of at second reading this evening. If so, the government will call tomorrow the following bills: S-27, C-23, C-28 and C-25. After consultation with the House leaders, I am led to believe that there will be little or no debate on the first two items, that is to say, second reading of S-27 and the report stage and third reading of Bill C-23. I say this because if this hope is not realized I should like to ensure that my colleague, the Minister of Agriculture, is called early tomorrow to deal with the second reading of Bill C-28. He has an engagement later in the day and I think we would all like to meet his convenience. But I do not think it will be necessary to vary that order.

May I also say, for the information of hon. members, that the House leaders have discussed the possibility of the House not sitting on Monday, November 10. I say this now so that members who may be thinking about their arrangements for that weekend might be able to arrange to do other things than attend the sittings of this House. However, everything is premised on the understanding that the time that is lost by being absent that day will be made up by an extension of hours on other days.

Mr. Baldwin: Mr. Speaker, just in case the minister's expectation as to completing C-73 is not fulfilled—and I am one who hopes it will be—is it the intention of the government to proceed next Monday with the resumption of second reading of Bill C-73?

Mr. Sharp: Mr. Speaker, I would think that it would be undesirable to take Bill C-73 out of the House. If our expectations, which I hope are reasonable ones—I think everyone has an interest in getting the bill into committee—are not realized, then tomorrow we will continue with this debate. However, I hope there will be agreement, if any member wants a vote, to postpone the vote until Monday.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the business that the government is bringing before the House, in view of questions I have asked on two or three occasions, can the government House leader now tell us when the bill to amend the Government Annuities Act and the bill respecting veterans who were prisoners of war will be introduced?

Mr. Sharp: Mr. Speaker, I can speak with authority only in the first of those bills. This was discussed in cabinet today and my colleague the Minister of Manpower and

Immigration is bringing the bill before us for approval immediately.

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INTRODUCTION OF BILLS

MEASURE FOR PAROLE OF DR. HENRY MORGENTALER—SPEAKER'S RULING

On the order:

Mr. Leggatt—Bill intituled: An act for the parole of Dr. Henry Morgentaler.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I understand you have certain reservations about whether this bill can be classified as a public bill or should be a private bill. I wanted to direct a few remarks to Your Honour on that subject so that you might be able to rule on the matter.

This bill is not presented in any partisan spirit. In fact, the co-sponsors of the bill, with myself, are the hon. member for Fundy-Royal (Mr. Fairweather) of the Conservative party, and the hon. member for St. Paul's (Mr. Roberts) of the Liberal party. The reason it has cross-party sponsorship—and I emphasize this—is due to the public importance of the bill. My remarks are directed to this key issue that Your Honour will have to examine in terms of whether you rule it to be a private or a public bill.

The bill provides for the immediate parole of Dr. Henry Morgentaler. It would also permit parliamentary intervention in the parole system to provide him with parole. There is before the House at the present time a government bill, Bill C-71, to amend the Criminal Code to allow juries to be the final arbiter on questions of fact. In other words, it would prevent the kind of situation that occurred in the Morgentaler case, of a jury verdict of acquittal being overturned by a court of appeal, with the accused not then having access again to a jury of his peers.

Obviously, this is a matter of great public importance. The bill concerns only one man, but it concerns only one man because there is no other person in the Dominion of Canada residing in jail in the same circumstances. The bill does not deal with the subject of abortion, which is a matter entirely different and about which many members have different opinions.

On the procedural question whether this is a private or a public bill, I ask Your Honour to consider the precedent that a bill of public importance which applied to one individual is, in essence, a public rather than a private bill. This House has been run for a very long time on precedents that have been introduced in the past. Your Honour may be familiar with Bill C-107 which dealt with the case of Steven Truscott. In the Truscott case, the situation was almost identical to the one in the bill now before the House. Incidentally, that bill was introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) who is acknowledged as one of the masters of the rules of the House. It was admitted as a public bill by the Speaker of that day, the Hon. Lucien Lamoureux, who is also acknowledged throughout the House as a great expert on the rules of the House. Therefore, if one were to look at the precedents, one would have to say that two very great procedural minds have attacked this problem in the past.

To say that the bill came in inadvertently would do a disservice, I suggest, to both those hon. gentlemen. Obviously, the Speaker at that time believed that the Truscott case was of such public importance that it overruled the general principles in Beauchesne which would identify this as a private bill. At that time the conclusion was that it was a matter of public importance that should be dealt with. It was a single individual who had received so much publicity and there was so much concern across the country regarding his being in jail that the bill was introduced as a public bill although, as I say, the bill dealt only with the case of Steven Truscott and did not deal in any general way with any class of persons.

As I have said, Mr. Speaker, there is no other individual in Canada who resides in jail in these circumstances. Therefore, if it is Your Honour's view that I should present a different bill which does not name Dr. Henry Morgentaler, I suggest that would be a redundant procedure. In examining the Morgentaler case, the Supreme Court of Canada found no single precedent like it where a jury verdict had been overturned by a court of appeal and the individual in question not given the opportunity again to face a jury of his peers regarding the charge.

On the question of public importance, I contend that what may on the surface appear to be a private bill can also apply to a class of persons, simply because (a) we have a precedent of the House in the Truscott case, and (b) the situation is very similar in terms of the subject of the bill being a single individual. There is only one individual in this country who comes within this class, and that is a person residing in jail in these special circumstances. Bill C-71, a government bill before the House, attempts to correct that anomaly and to allow no longer courts of appeal to superimpose guilty verdicts on acquittals by a jury. That being the case, and since we will no doubt be dealing specifically with the subject, I submit this bill is appropriate as a public bill in order to release this class of persons who remain in jail as a direct result of the anomaly in the Morgentaler case.

● (1510)

Dr. Morgentaler has served more than one-third of his sentence. We have released people like Harold Ballard and we have released rapists and murderers and all sorts of strange people in the country, but for some reason or other the Parole Board has not seen fit to move in the case of Dr. Morgentaler. I realize that it sounds as though I am arguing the merits. I am not really arguing the merits except to the extent that I submit we are dealing with the key point in the matter of this bill, and that is, is it of sufficient public importance to merit introduction in the way the Truscott bill was introduced 1957?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, my intervention is not going to be long in the event that Your Honour would wish to rule against the hon. member who has proposed this particular bill. I would simply point out to Your Honour that on Friday when the bill was initially introduced, you suggested that perhaps the matter could be the subject of debate if the hon. gentleman would approach

the House leader at the time. There was no indication that he wished to debate the motion, and therefore I am caught a little by surprise. I would simply indicate that citations 459 and 460 of Beauchesne refer directly to the point.

If Your Honour is influenced by the second argument, namely that the bill—a private bill, in my estimation—being presented has some public interest because it deals with a matter of public concern, and if Your Honour is inclined to find that there is some merit in this argument, I would ask Your Honour to put this matter over in order that perhaps better argument may be prepared.

Mr. Speaker: I thank both hon. members for their intervention. The reference to the citation by the Parliamentary Secretary to the President of the Privy Council (Mr. Blais) has saved me the trouble of making the reference. It seems to me to be a very clear citation. The reference by the hon. member for New Westminster (Mr. Leggatt) to the Steven Truscott case indeed challenges the imagination of students of parliamentary procedure. Fortunately, perhaps, some of these miracles are possible without full explanation of exactly how the arguments were achieved. Again, I can only say that it is another indication of the mastery of the proponent of this particular bill that seems, in the humble opinion of the Chair, to run totally counter to the procedures in the way they are set out so clearly in the citation referred to by the hon. parliamentary secretary.

The fact of the matter is that the bill before us at the present time is a proposal to exempt or to except from the operation of the general law one person, namely, Dr. Henry Morgentaler. I cannot, by any stretch of the imagination, be persuaded that this is the subject matter of a public bill or that it is in any way an alteration of the general law. It is an alteration or exception, for one person, of the application of the law, and it seems crystal clear to me to be the subject matter of a private member's private bill and not a public bill.

The hon. member put forward some very eloquent arguments about the urgency and the importance of the matter, which would certainly go to the merits of the bill and would be part of the entreaty to other members to support it. Procedurally, I feel that despite every careful consideration of the hon. member's very interesting arguments, we are left with no other choice than to decide that the matter is really a proper subject matter not of a public bill but of a private bill.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 28, 1,332, 2,404, 3,130.

Order Paper Questions

[*Text*]

PRIME MINISTER'S RESIDENCE

Question No. 28—**Mr. Cossitt:**

1. With reference to the answer to Part 3 of Question No. 88 of the Second Session of the 29th Parliament to the effect that all but one of the architects, designers, interior decorators or consultants performing work at 24 Sussex Drive were not selected by the Department of Public Works, what is the complete identity of the individual or individuals who selected (a) Herbert-Lalonde, Designers of Montreal (b) Professor E. Arthur, Designer of Toronto (c) Francisco Ltd., Interior Decorators of Montreal (d) Mrs. Louis V. Beveridge, Interior Decorator of Toronto?

2. What are the names of any persons whatsoever who in any way recommended the services of these people?

3. Have any of those named in the answer to Question No. 88 of the Second Session of the 29th Parliament done any other work whatsoever for the government in the past ten years and, if so, on what dates, what was the work and what was the fee paid?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and the Department of Public Works as follows: 1 and 2. It has always been government practice that occupants of official residences should have final say in their family environment and who best can provide it.

3. (a) In 1968, the firm of Julien Hebert, 430 Bonsecours Ave., Montreal, Quebec provided the design, fabrication and installation of the fountain in the National Arts Centre for the amount of $25,000. (b) The firm of Hebert-Lalonde, Architects and Designers, prepared plans and specifications for the Department of Public Works in the following places, on the dates indicated and for the amounts listed: Chicoutimi, June 3, 1974, $750; Pointe Claire, June 3, 1974, $750; Ste-Foy, June 3, 1974, $750; Ville d'Anjou, June 3, 1974, $750.

TOXIC BILGE CLEANING

Question No. 1,332—**Mr. Forrestall:**

1. (a) What is the position of the government on the use by non-government vessels of toxic bilge cleaning substances (b) what regulations exist governing the use of toxic bilge cleaners (c) on what date and where were these proclaimed?

2. Is this in accord with the statements on the ocean environment contained in the "New Oceans Policy" announced July 12, 1973 by the Minister of State for Science and Technology?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of the Environment is concerned: 1. (a) The government does not have a position on the use per se of toxic bilge cleaning substances by non-government vessels. It does have a position relevant to the disposal of bilge cleaning substances and bilge wastes, viz.—No substance which is, or contains, oil of any kind in any form shall be released into Canadian waters (including fishing zones). For bilge cleaning substances which are not oil or do not contain oil of any kind or in any form, the position of the government is that wastes containing such substances can be deposited into Canadian waters only if it can be shown that they are not toxic to aquatic life (i.e. deleterious substances as defined in the Fisheries Act). The Department of the Environment, on request from the Ministry of Transport (which has the responsibility for pollution from vessels), would assess the substance and, on the basis of bioassay tests and existing

information, determine whether the substance should be released into the aquatic environment. (b) There are no regulations on the use of bilge cleaners. However, the disposal of this class of substances is regulated by the Oil Pollution Prevention Regulations under Section 20 of the Canada Shipping Act. The enforcement of these regulations is the responsibility of the Ministry of Transport. (c) The regulations cited in 1. (b) are contained in S.O.R. 71-495 of September 21, 1971.

2. The position of the government of Canada on the disposal of bilge cleaning substances is consistent with the "New Oceans Policy" announced July 12, 1973, by the Minister of State for Science and Technology.

In so far as the Ministry of State for Science and Technology is concerned:

1. (a) There are no regulations with regard to the use of toxic bilge cleaners by non-government vessels; however, the disposal of these substances is regulated by the Canada Shipping Act. (b) The discharge of bilge cleaning substances which are oil or which contain oil is governed by the Oil Pollution Prevention Regulations of the Canada Shipping Act; the discharge of bilge cleaning substances which are not oil or which do not contain oil is governed by the Pollutant Substances Regulations of the Canada Shipping Act. (c) The Oil Pollution Prevention Regulations of the Canada Shipping Act were contained in S.O.R. 71-495 of September 21, 1971, published in the Canada Gazette, Part II, Volume 105, No. 19. The Pollutant Substances Regulations of the Canada Shipping Act were contained in S.O.R. 73-113 of February 28, 1973, published in the Canada Gazette, Part II, Volume 107, No. 5.

2. Yes.

In so far as the Ministry of Transport is concerned:

1. (a) Toxic bilge cleaning substances may be used by non-government vessels for the normal purpose of good housekeeping. However, the resulting mixture, an oily substance, is prohibited from being discharged into the water under the Oil Pollution Prevention Regulations. (b) There are no regulations that specifically refer to toxic bilge cleaners. However, should the cleaner contain a toxic substance which is included in the list of substances in the Pollutant Substances Regulations, its discharge into the water would be prohibited. (c) The date of proclamation of the Pollutant Substances Regulations was February 27, 1973, and notice of this appeared in the Canada Gazette, Part II, Volume 107, No. 5.

2. Yes.

LONG DISTANCE POWER TRANSMISSION CONTRACTS

Question No. 2,404—**Mr. Dinsdale:**

1. Did the Government of Manitoba approve the award of the contract to expand the capacity of a direct current long distance transmission line from Northern Manitoba to Winnipeg?

2. Did the federal government withhold its approval of the contract and, if so, for what reason?

3. Which level of government has the final say in awarding contracts under the Nelson River Power Agreement signed in 1962, where substantial funding is provided by Ottawa?

4. Is there a clause in the Agreement providing for flexibility in assessing bids on the basis of Canadian content and, if so, what flexibility is allowed?

[Mr. Sharp.]

5. Was the contract awarded to Brown-Boveri (Canada) Ltd. and, if so (a) what was the amount of the bid (b) was a change made in the original contract to upgrade the Canadian content in the Swiss bid (c) how much was added to the contract price as a result of such change?

6. (a) What other bids were received on this project (b) what was the amount of each such bid and the percentage of Canadian content?

7. (a) Has the Canadian General Electric Company of Peterborough been negotiating with DREE and the Manitoba Government for assistance in establishing a plant in Brandon, Manitoba (b) was the plant related to the awarding of the long distance power transmission contract (c) are negotiations still proceeding and, if not, for what reason?

8. (a) What has been the total cost of the Nelson River Power Project to date (b) what proportion of such cost has been provided by the federal government?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Energy, Mines and Resources and Regional Economic Expansion as follows: 1. The Department of Energy, Mines and Resources understands that the government of Manitoba has approved the award of the contract.

2. Yes. The government of Canada could not accept the techonological and industrial development evaluation for the award of the contract to a foreign supplier.

3. There is no 1962 agreement, nor is there as yet any agreement relating to the expansion of the Nelson River Transmission Facility. Guidelines for the proposed new agreement included provision for Manitoba to make an independent selection but without benefit of federal financing.

4. The guidelines relating to the proposed agreement provide for flexibility in the assessment of Canadian content; no specific limits are given.

5. See reply to question 1. (a), (b) and (c) Information on bids received by Manitoba Hydro would have to come from Manitoba Hydro.

6. (a) It is understood Manitoba Hydro announced that bids were requested and received from the following companies: Brown-Boveri (Canada) Ltd.; Canadian General Electric Co. Ltd.; Canadian ASEA Ltd. and General Electric Co. of England.

7. (a), (b) and (c) When a firm accepts an offer of development assistance under the Regional Incentives Act, this information appears in the report on Regional Development Incentives, which is submitted to parliament every month. Department policy is to treat as confidential any information concerning an application for assistance until the application has been approved, and an offer of assistance has been made and accepted.

8. (a) Since the federal government is not involved in the development of Hydro Power sites on the Nelson River, the total cost of the Nelson River Power Project is not known. (b) Under a 1966 agreement between Canada and the government of Manitoba the federal government has expended approximately $240 million in constructing the first stage of a high voltage direct current transmission system from the Nelson River area to a terminal station near Winnipeg.

PHOTOGRAPHS OF HON. JEAN-PIERRE GOYER

Question No. 3,130—**Mr. Cossitt:**

1. Did the Minister of Supply and Services or anyone acting on his behalf issue an order, memorandum or instruction of any kind that photographs of the Honourable Jean-Pierre Goyer be hung in all of the Department's offices and, if so, for what purpose?

2. What are all the details of the matter including the (a) date on which such a decision was made (b) person making the decision (c) person or persons issuing such instructions (d) number of pictures ordered and the cost thereof (e) location in each office in which such pictures have been hung or will be hung?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. No.

2. Not applicable

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,089 could be made an order to return, this return would be tabled immediately.

[*Text*]

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION—CONSULTANTS

Question No. 2,089—**Mr. Howie:**

From January 1, 1974 to December 31, 1974 in the Department of Regional Economic Expansion (a) how many consultants were hired (b) what were the terms of reference, time and length of the work assignment (c) what amount was paid to each?

Return tabled.

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I would ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Wednesday, October 22, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. Yesterday the hon. member for Edmonton West (Mr. Lambert) raised a very interesting point of order about an irregularity in a provision of the bill, particularly, as I recall, the provision in clause 26 which would propose to leave to the governor in council the power to make appointments to staff positions created by the bill for a four-year period, when in fact the recommendation of the bill contains a specific statement and a reference to the expiry date, which is also contained in clause 46 of the bill, which would be in conflict. The bill, both in the recommendation and in clause 46, provides for expiry on December 31, 1978. The power to make four-year appointments would, of course, give the power to the governor in council to extend expenses and expenditures beyond the term limit contained in the bill.

There can be no doubt that the hon. member's point is valid. It is a technically sound point, and the hon. member is quite accurate in his reasoning. The fact is that clause 26 is in conflict with clause 46 regarding the expiry date of the bill, and in turn is in conflict with the specific provision and recommendation. I take it the hon. member has given an indication of his approach, and I suppose that of his other colleagues in the House, in his remarks as follows:

I would therefore ask Your Honour to take this point under advisement and, if you are persuaded by my argument, to direct that the offending clauses be amended to conform with the recommendation—

I understand that the House may be disposed to vote on this matter later in the day, so whatever disposition is to be made is somewhat urgent. I have caused an inquiry to be made and I am given to understand that the government is prepared to indicate its willingness at this moment, or will later, to bring forward at the first available opportunity an amendment which would remove the conflict that appears to exist between the two clauses. Presumably, that would be done by making it absolutely certain that whatever power is granted in clause 26 is circumscribed by the expiry date in the bill and the expiry date contained in the recommendation. If that is done to the satisfaction of the hon. member and other hon. members of the House, perhaps we may set the point aside. If before the vote takes place that has not been done to their satisfaction, then I would be disposed to make a formal ruling on it.

Mr. Macdonald (Rosedale): Mr. Speaker, I would regard the hon. member's point as well taken, and I can indicate that at the committee stage it would be my intention to propose an amendment to make the provision in clause 26(2) conform to the terms of the royal recommendation.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Jake Epp (Provencher): Mr. Speaker, when I was speaking yesterday on Bill C-73 I was primarily concerned with convincing the government that if its anti-inflation program is to work or is to be accepted by the Canadian population at large, the government will have to take a new position or another look at its present state of credibility and integrity. It has been my contention, as I brought forward yesterday, that you can only yell "wolf" for so long and so many times, because finally the people do not believe you anymore and they stop listening.

● (1520)

I think this government will have to look very seriously at whether or not it is able to convince the Canadian people that the program brought forward, even if it has a chance to work, can work in the light of what has gone on before. In the remaining minutes I have today I wish to present one or two views which I hope may be beneficial in the sense that they are positive and, hopefully, will be considered by the government.

Price and income controls, as the government has presented them to the House, represent a stopgap measure by which the government can help dampen the inflation psychology and expectations and thus get us straightened around in respect of what we think we can take from the economy. I think at some time or other we have all said that we will try to get out of the economy as much as we can, in order to protect ourselves. Frankly, some of us have been more successful than others. I shall have more to say about this later.

I believe the government will have to reverse its general attitude toward government. I believe this government going back to 1965—as well as the provincial governments—has accepted the philosophy that government can actually create happiness, and if governments spend more and more tax money, then all will benefit and have a better quality of life. I seriously question whether it is the role of government to go beyond the economic climate. It should help those who need help directly, but after that point is reached I seriously question whether we should get into all the hand-out gimmicks this government and others used in the last year, for instance.

For example, ten years ago various levels of government were taking approximately 29 per cent of our gross national product, call it redistribution of wealth or whatever you like. Today we are approaching the 40 per cent figure at all levels of government. I say to the government that this has to be counterproductive, in the sense that we have taken so much out of private hands that the private individual seriously questions whether he is ahead after taxes and is getting a benefit for the work he has done or the investment he has made over and above the hand-outs which many people in society seem to be getting.

I think this is the fundamental point the government in its long-term philosophy will have to look at very seriously. I suggest that the proposal requires a complete redirection in attitude and policy. As a follow-up of that, I believe the government must practice restraint. We are often accused of repeating this and not being specific enough. Therefore, I propose that the government should place a freeze on its expenditures and a freeze on its hiring practices. I say this because that 40 per cent figure, to my mind, must be reduced.

In years past, this House passed various bills in the hope that they would help many Canadians. I refer specifically to the unemployment insurance bill. Many of the principles which are found in the white paper in respect of that bill are based on premises which might have existed at one time. One of those principles was that many Canadians avoided unemployment insurance; even if it was the last thing they could do, they would not go on unemployment insurance. Today, I think that attitude has changed in respect of a certain proportion of our population. Consequently, we are spending twice as many dollars on unemployment insurance than is the case in the United States. I wonder when this will stop.

Yesterday a colleague of mine referred to Information Canada. That has been mentioned a number of times. There is also the whole question of a guaranteed annual income. In Manitoba, we have an experiment called a mini-income, whereby an attempt is being made to find out whether people would continue to work if there were a guaranteed annual income. I might say that the results are such that many of us seriously question whether a sufficient number of people in Canada say to themselves, "Granted, we are getting less than we would if we were working, but it is not a bad way of living if you do not have to work." The Canadian worker today is simply saying that he is becoming tired of supporting people who think being on the public dole is honourable or might even be their right.

Then there is the matter of government buildings. Everywhere in Ottawa one sees one project after another which bears a beautiful white and green sign stating that the project is under the supervision of the Department of Public Works. I wish to mention what happened in Winnipeg. The Minister of Manpower and Immigration (Mr. Andras)—I am glad he is in the House today—might take note of this. We had office space in Winnipeg and it was good space. Recently, however, in connection with the Winnipeg convention centre a new development has taken place right beside it, called Lakeshore Development, which is the most expensive real estate footage in Winnipeg. What happened? The first to move into this building were, of course, government departments. Governments seem to be in the forefront in getting the very best at the highest cost, and this has a psychological impact, I believe, on the Canadian people.

I think, also, the government should move toward a balanced budget. I believe our deficit is too high. The cost of servicing the national debt has become a major part of our yearly expenditures. I believe the government should look at that matter. Then there is the matter of the Foreign Investment Review Act. Representatives of the Quebec government are in West Germany these days trying to attract more investment funds for the province of Quebec. They are running into difficulty. The investors say that they want to invest in Canada but that the implementation of the Foreign Investment Review Act is starting to dry up some of the money supply.

I could go on to talk about consultants and the number of massive projects we have under construction in respect of the Olympics, James Bay, Churchill, and so on, and ask to what extent these massive projects are a strain on our money supply. All these projects are being carried out at the same time. To what extent have they contributed to inflation and the higher costs of construction during this period? Another point we could raise concerns the metric system. At this point in time, should there be a priority for spending in respect of metric conversion, or would it be advisable for us to defer metrification and lock our approach in with that of the United States so that the expenditures could be deferred for three or five years, as the case may be?

Lastly, if we are to get this problem turned around, we must go back to a basic fundamental of the free enterprise system.

An hon. Member: It is a mess.

Mr. Epp: If the hon. member wants to talk about messes, let us look at some countries in Europe—and if you want them, you can have them. Or we could go to British Columbia. Madam Speaker, I want to point out a fundamental principle. I refer to the question of productivity. When is the last time any of us stressed that we must produce more if we want to take more out of the Canadian economy? When is the last time we heard either labour or management bring forward the concept that if we are to turn around, we must strengthen our economic position? How many of us have heard that stressed positively? Where has the concept gone that a person who produces more is entitled to a return on that extra production? If we continue to tax production at the 40 per cent level, I can see why people do not want to produce more; they do not because the government simply taxes it away.

● (1530)

In conclusion, I believe this country, with all its wealth and potential, can come out of this crisis if we, as Canadians, adopt some of these principles. I also hope—and this may not be very popular with some members—that because we have been able to keep up with inflation more than adequately, hon. members will join me in agreeing that as of January 1, 1976, we should not go forward with the 7 per cent escalation in our stipends; that it be a symbol that we also are part and parcel of this problem and we want to contribute our share to combating inflation. I stress again that we believe a person is deserving in accordance with his rate of production, and that this government would govern much better if it governed less.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, in taking part in the debate on this legislation, I want to say at the outset that the NDP has suggested for many years that in a planned economy, which we feel our country should have, there should be policies and programs which call for full production and full employment. There should be, also, a system of collective controls and price reviews so as to contain inflation, or at least to alleviate the rate of inflation that we experience from time to time. I can recall that in the elections of 1963, 1965, 1968, 1972 and 1974 we said that very thing and were ridiculed for it. We opposed the proposals of the Progressive Conservative Party in the last campaign for a freeze and price and wage controls as being unfair and unworkable unless such a program was accompanied by other programs. Today, however, we see the conversion of the government to a program similar to the one the Conservatives were proposing, unless I badly misunderstood them. I repeat what we said a year ago, that this conversion to a program of controls will be unfair, inequitable and in many instances unworkable.

I have noted with interest in the remarks of the Prime Minister (Mr. Trudeau) and of other members of the government in the last couple of days a seeming willingness to make certain changes, additions or deletions in their proposed program to take out some of the obvious unfairness in the legislation. If the program is to have a remote chance of success, it must not only be fair in its application but it must be seen to be fair.

Of course we must fight inflation; there is no argument about that from anyone in the House. The argument is about how to go about it. I submit that in the process of fighting inflation, or attempting to alleviate the rate of inflation, equal, if not greater, importance must be given to other problems in our economy, specifically unemployment. To ignore that problem and solely to battle inflation will only result in greater unemployment which, I submit, is a far worse problem in our society than inflation.

I and the NDP will not support a program that perpetuates unfair treatment of Canadians who cannot defend themselves, such as the unorganized workers, the old age pensioners and those on low and fixed incomes, people who have no way of defending themselves. That means a great majority of wage and salary earners in the country, and it certainly includes most of those who are on pension. The legislation proposes a 10 per cent limit on wage increases, which means a maximum of $2,400 and a minimum of $600 in applying the guidelines. I want to repeat what my colleague, the hon. member for Yorkton-Melville (Mr. Nystrom) had to say when he spoke in this debate last Friday, that it would make much more sense and we would obtain much more acceptance from the people of Canada in fighting inflation if we reversed that guideline and provided the $2,400 to the people at the low end of the scale and the $600 to the people at the top end of the scale, including members of parliament. The program would then be much more credible and much more fair.

If we are to do anything to help those who are on fixed and low incomes to live decently and not see their standard of living falling as the result of the high rate of inflation, then surely they are the ones who should be getting the $2,400 maximum increase, and those at the high end of the scale can do quite well with nothing at all or, at the most, $600. Surely that would be decent, sensible, civilized and fair. But no, this government keeps on with the old free enterprise nonsense which means that him that has gets, and him that hasn't gets it in the neck. It means, continue striving for all you can get and to heck with the other guy; those who have power will get more, and those who have no power will get less, or nothing.

Surely, if you are going to bring in a restriction on incomes, these restrictions should not apply to those on low incomes. In fact, I submit that any family on an income of less than $10,000 a year right now should be totally exempt from the guidelines. A family consisting of husband, wife and three, four or five children trying to live in an urban centre in Canada is not able to get by on $10,000. They cannot make it if they have to pay for their shelter, pay their food bills, pay for educating their children, pay their taxes, mortgage payments, and so forth.

I saw a survey which was made in Toronto a year and a half ago by the welfare council in co-operation with other groups in the city. It showed that a family of five in an average home, with one car, and assuming they put the three children through high school and into university, will not make it on less than $15,000. To apply guidelines to incomes as low as $6,000 a year, I submit, is unconscionable. The people on low incomes are not the ones who

cause inflation; they are the first victims of inflation and the ones who are hit the hardest.

● (1540)

Surely it is not right to apply these restrictions to old age pensioners and to people who work at the minimum wage who have no union to bargain for them. Those people make up two-thirds of the work force of this country. They would receive smaller increases from their employers than they presently do, were it not for the precedents set by organized workers who are able to obtain higher increases through the bargaining of their unions. There should be total exemption for people on low incomes. If the government thought that anything below $10,000 was too generous, surely there should be a total exemption for anyone earning less than $6,000 or $7,000 per year, no matter how the income is arrived at, whether it be pension, wage or salary.

For the minister to suggest that hitting big wage and salary earners, big companies and big labour will somehow help the little people because it will reduce inflation is some kind of sophistry. Economists whose comments I have heard in the last few days have said that there is no doubt this program will have an effect on the rate of inflation, but the effect will be to cause the rate to reduce by no more than 1 per cent or 2 per cent. That kind of insignificant effect on inflation will not be of much value to the little people; it will be of greater value to those on high incomes and to those corporations which make nice profits. It will be of little consequence to old age pensioners or to people working at the minimum wage. Inflation will be only 10 per cent instead of 12 per cent.

In regard to people living on pensions, I have listened to hon. members on the government side telling us not to forget that there is an escalation clause for old age pensioners, people on income supplements, veterans pensions, and so on. That is quite true, but the escalator clause was applied to basic pensions which at that time were already too low. Since it was implemented, all the escalator clause has done is alleviate the situation of the old age pensioner in the sense that he is not as badly off as he would otherwise have been. Regardless of the escalator clause, the old age pensioner has still become worse off, although perhaps not to as great a degree.

If the government will not change its mind about who can receive the $2,400 and who can receive the $600, it should at least indicate that those who are on incomes such as the minimum wage, old age pensioners and those on guaranteed income supplement, shall be guaranteed a minimum of a $600 increase in the first year. That means an increase of $50 a month in the old age pension, immediately. Let us make sure they receive that $600; let us not just leave it in the guidelines as a piece of fantasy. How will these people receive an additional $600? The province of Quebec has already lowered its projected rate of increase in the minimum wage. Let us request, or require the provinces to raise the minimum wage, and let the federal government give the lead by increasing the present minimum wage so that those who work at the minimum wage will receive at least $600 more in the first year of this program.

[Mr. Benjamin.]

If we want co-operation, support and even some element of enthusiasm for a fight against inflation, these are the kinds of measures we must take, and we must incorporate them into our program of restraints. I said earlier that it is not good enough just to fight inflation in isolation. Unemployment is a more serious problem than inflation, and in conjunction with the battle against inflation we should be carrying on a battle against unemployment.

The question of housing has been raised repeatedly in the question period since we returned after the recess. If we want to do something about a social right and need, the right and need for a decent home and employment, and to control inflation in conjunction with the program of restraints on wages, incomes and prices, there should be an injection of an additional $1 billion or $2 billion into housing. The creation of employment and the forcing down of the cost of housing could be accomplished in one move.

I was pleased to hear the Minister of State for Urban Affairs (Mr. Danson) announce today that those who had signed the agreement would come under the Assisted Home Ownership Plan and would qualify for the $500 grant. In many of the provinces these people will also receive a provincial grant toward their down payment. The provision was that construction had to be 65 per cent completed by October 31. There are two housing developments in Regina of which I am aware where some of the houses will not be 65 per cent completed until the end of March. The basements are dug and the foundations might be poured. It is not the fault of the homeowner nor that of the government. In many cases it is not the fault of contractors; they are having difficulty obtaining sufficient supplies. I was pleased the minister said that the program is now extended to December 31, but I submit that is not good enough. Tens of thousands of low income families in this country will lose that grant if the government does not agree that all the houses which were under construction, no matter at what stage of completion, will be included in the program.

A family which was eligible for the $500 grant from the federal government and $1,000 from the provincial government called me last week. They borrowed another $250 to enable them to raise the $1,750 required for their down payment. Their house is only about 10 per cent completed. The builder and the realtor, with great apologies, said they would not have it 65 per cent completed until the end of April. I would hate to see this low income family have to take out a second mortgage to cover the down payment, because we all know what that means in terms of interest rates and what it will cost them for that small amount of money. This is only one small example, but it is important and meaningful to thousands of people in this country.

I wish to say something about agriculture and agricultural products. The government's guidelines indicate that farmers and fishermen will be exempt, applying the farm gate principle. However, within hours of the guidelines being made known, the newly appointed chairman of the Anti-Inflation Board, and his vice-chairman, Mrs. Plumptre, in their first press conference indicated they intended to investigate marketing boards. I submit that they cast aspersions and suspicions on farm marketing boards which were entirely unjustified and unnecessary. If we are to control marketing boards, then the policy of the

government with regard to exempting farmers and fishermen is just a sham. We should not forget that the farm marketing board is right beside the farm gate, and we should not forget that a fish marketing board is on the dock right beside the fisherman's boat. If you try to control marketing boards, you are in effect attacking the incomes of our primary producers, the farmers and fishermen.

● (1550)

Farmers and fishermen in many parts of the country have fought for decades for a system of orderly marketing, for marketing boards in which they could have some input and membership. It has been the dream of farmers in my constituency and province, and they have fought and persuaded successive governments of differing political persuasions to implement them. If Mr. Pepin and Mrs. Plumptre think that the price of wheat is too high, and start messing around with the Canadian Wheat Board or the Hog Marketing Commission in Saskatchewan, we will have news for them. In the decades of fighting to get orderly marketing and marketing boards, farmers have been victimized by successive governments and have been treated unfairly through a cheap food policy. One of the contributing factors to the demise of 400,000 family farms since World War II is the cheap food policy.

When farmers were getting $1 or $1.50 per bushel for wheat two or three years ago, we all knew it was not meeting the cost of production, let alone providing a return on labour or investment. Now that the price of grain bears some relation to the cost of production for the first time, the chairman of the Anti-Inflation Board is screaming about marketing boards. If he comes to Saskatchewan, he had better keep his back to the wall and his guns loose in the holster, because a lot of farmers will want to talk to him very severely.

The Food Prices Review Board has not been able to find anything wrong at the packaging, wholesaling or retailing level, nor at the supermarkets of Garfield-Weston; therefore, they think there is something wrong with the marketing boards. But marketing boards are about the only protection the farmer has, and any fair-minded citizen is prepared to pay the price required to meet the cost of production and labour and something to live on.

The cost of production continues to increase. According to Statistics Canada, farm input rose by 9 per cent from the second quarter of 1974 to the second quarter of 1975, the latest figures available. Cost of production rose 29 per cent in the last two years. Just ask the cow-calf operator or the farmer who has a feed lot about his prices in light of that 29 per cent increase in the cost of production. There are many important components in the cost of production—mortgage credit, for instance. The credit required for land and buildings increased by 13 per cent from the second quarter of 1974 to the second quarter of 1975, and in the two-year period it increased by 32 per cent. The cost of farm machinery increased by 19 per cent in one year and 29 per cent over two years. Petroleum products increased 16 per cent in one year and 28 per cent in two years. Fertilizer shows a 39 per cent increase in one year and an 83 per cent increase in the two years. I submit that many of these increases were neither necessary nor justified, but the government is not interested in checking them.

In the face of those increases in the cost of farm production, Massey-Ferguson Limited recently reported record profits of $53 million in the nine-month period ending July 31—an increase of 37 per cent over the same period in the previous year. That tells us something about the increase in the cost of farm implements and parts.

Let us look at banks. In the nine months until July 31, both the Canadian Imperial Bank of Commerce and the Toronto-Dominion Bank reported an increase of 23 per cent in profit over the previous year—$92 million and $65 million respectively. The Royal Bank of Canada did even better; their profit for the nine-month period was $113 million, a 26 per cent increase over the same period in the previous year.

The cost of petroleum products has increased. Imperial Oil Limited is reaping a profit approaching $1 million a day. If we are to do anything about prices, profits and incomes, if we are going to fight inflation, I submit we should start at the top. People at the top cause inflation, not those on low incomes. The old age pensioner is not the one to attack: start at the top and work down. High profits, unjustified price increases and high incomes should be attacked. That is where you start, whether it be with the president of a corporation, a trade union or a member of parliament: it is they who take more out of society than they put in.

Mr. Paproski: Speak for yourself.

Mr. Benjamin: For the Prime Minister (Mr. Trudeau) to suggest that those on low incomes should quit trying to take more out of the economy than they are putting into it is the worst kind of insult to those people. I should like to see him work on the sewer and water system in the city of Regina, on a casual basis at the minimum wage. We would see whether he is putting more into the economy than he is taking out. That is an insult to the majority of people in this country. If this program entails attacking and undermining the marketing boards, I will campaign for its failure. I know thousands of others who will do the same and make no apologies for it.

Mr. Smith (Saint-Jean): A great Canadian.

Mr. Benjamin: The hon. member calls me a great Canadian and I accept that as a compliment. I am sure the hon. member for Saint-Jean (Mr. Smith) will do the same thing if he sees farmers being hurt by an attack on marketing boards through an income and prices program. I know he will join me if this program is not changed to provide more income for pensioners and people on low wages, and unorganized workers. If this program is unfair to them, together with thousands and thousands of other people I will do all I can to see that it fails. If it is implemented in such a manner as to be fair to those people, it will have my support and co-operation and that of the people of this country. From what we know of the program to date, it appears to be grossly unfair to most of the ordinary people in the country who are on low and fixed incomes and it cannot help but be harmful to primary producers. I submit the program is a failure.

As I said at the outset, we agree that we must do all we can to fight inflation or to reduce the rate of inflation. Every country in the world, even the totalitarian coun-

tries, is affected by inflation of 4 per cent, 5 per cent or 6 per cent. There is no such thing as doing away with inflation unless you bring on a major depression: that is the only way to halt inflation. For years my party has said that we can lessen, if not eliminate, the effects of inflation on those receiving low and fixed incomes and pensions. We can contain the rate of inflation to a much better degree if we introduce programs which are fair to people.

● (1600)

I have heard government spokesmen use the term "an element of rough justice." If it is said to be rough justice for the poor and those on fixed incomes, I suggest it is not rough justice but injustice. To control inflation properly, you must bring in a series of policies. You must introduce over-all plans which deal with several problems at the same time. You must attack inflation, put greater emphasis on combatting unemployment, and meet the social and human needs of the people of this country. You must do this through providing, in a massive way, housing which our people can afford. That will do much to cure both inflation and unemployment at the same time.

We have contended for years that we can ameliorate the rate of inflation if we introduce a system of selective price controls and establish a prices review board which would require those who wish to raise prices to appear before the board and justify the increase. If they can justify the increase by proving an actual cost increase, we would be fair and say, "All right; you are allowed that much increase." If General Motors wants to increase the price of its trucks by $300 but can prove only increased costs of $100, then a price increase of $100 would be allowed. Surely that is fair. Surely that is the more honest way to control the cost of living and inflation. It is better to do this than to take it out on our low income people.

If we were to control the prices of areas of our economy involved with steel, farm machinery, fertilizer, and products of that nature, we would effectively control not only the price of steel and of the other commodities mentioned but we would make sure that steel manufacturers and other manufacturers do not create artificial shortages and then persuade the government to grant increases. You cannot have one without the other, as the song says. If you control price, you must have some say in production. If you control the price of steel, you also control the input costs of a host of other items, such as automobiles, farm machinery, refrigerators, stoves, structural steel—you name it. You would not need to go snooping into the books of every storekeeper and contractor to see what he is charged, because you would know what his steel is costing.

Our proposed prices review board would work exactly the opposite to the way the proposed Anti-Inflation Board will work. If somebody complains to the government board, the board will look into it. We think it should be done the other way. We think that anyone who wants to increase price should first appear before the board to justify the price increase, before the increase is allowed. Do it that way, I say. If the government insists on setting up the Anti-Inflation Board as proposed, then at least I and one other member of parliament will tell the people in our constituencies to send to the board notification of each and every price increase, wherever it may take place.

[Mr. Benjamin.]

That reminds me of something. Has the government considered doing as fast investigation of the wholesale and retail grocery chains and department stores of this country? I was on the telephone to people in Regina and Vancouver and learned something which I suppose is common knowledge. Because this dummy government tipped its hand in advance on the holiday weekend, management in many stores the other day went galloping up and down the aisles, putting up the price of thousands of commodities. I am told they started doing this even before the Prime Minister came on television to announce the program. I think the government should order a thorough investigation to compare the price of thousands of commodities in the week before October 14 with the price of the same commodities immediately after October 14. This would be an interesting exercise. The government ought to do this if it is serious about restraint and wants to be fair.

In addition to imposing selective controls and establishing the prices review board, we should make sure that our tax system is fair. I notice that the Prime Minister talked about taxing away the excess income of those who break the guidelines. Fine—but I will believe it when I see it, because so much of our tax system is unfair. It discriminates between the poor and the rich, between the corporation and the individual, and the entire system needs to be revamped.

If the government does the things I have suggested, if it introduces programs which are fair and equitable, it will gain the support and co-operation of the people of this country. But it must do some of those things I have suggested. It must attack unemployment and provide housing if it wants the co-operation which it needs in order to succeed.

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, it is with some concern that I rise to speak on Bill C-73, the government's announced mandatory guidelines as a cure for inflation. My concern over this bill started with the Prime Minister's presentation on national television on Thanksgiving Day. Although Canadians have much about which to be thankful, the spirit of thanksgiving was not improved by our watching our Prime Minister (Mr. Trudeau) mouthing policies he has consistently ridiculed and which he obviously does not intend to support by example.

The fact is that the Prime Minister and his colleagues duped the voters in 1974 just to win an election. At that time, all the members of the cabinet hid the economic facts from Canadians, just as they hid them with regard to our oil reserves. But now some of the truth is becoming evident. Having ignited the inferno, the Prime Minister now asks voters to dampen the fires of inflation.

The request of the Prime Minister for personal restraint was almost nauseating, coming as it did from the mouth of a man who has proved to be the most profligate spendthrift in Canada's history. His personal lifestyle, at public expense, would put an Indian prince to shame. It includes swimming pools, massive staffs, Cadillacs and travel.

An hon. Member: Shame!

Mr. Crouse: I hear an hon. member say "shame." Let him stand and refute what I have said. These are the facts,

and they are shameful. Perhaps the hon. member can stand on his feet after I have finished.

Some hon. Members: Oh, oh!

Mr. Crouse: It is a shame. And after emptying the public purse, the Prime Minister has the gall to call for personal restraint on the part of the average Canadian.

● (1610)

Following the Prime Minister's questionable performance on television we were given a detailed statement on this measure by the new Minister of Finance, the hon. member for Rosedale (Mr. Macdonald), whom I congratulate on his appointment. According to him, the real danger to our economy lies ahead. These were his words:

> As countries like the United States, Germany and Japan pull out of their present deep recession they can expect to enjoy very much higher productivity gains than Canada and the effect would be to widen substantially the differential between our unit costs and those of our major competitors.

I believe I have quoted the hon. gentleman correctly. We must ask ourselves why this is so. Do these countries have more natural resources or more ability than Canda? The answer is no. The situation in Canada is due entirely to mismanagement of our economy by the present government. Our new Finance Minister said the program which he placed before us needs the support of all governments in Canada and of all Canadians in order to break the vicious spiral of costs and prices which endangers the stability of our economy and, indeed, of our whole society.

To my mind, such a statement implies that the government has been living in a dream world ever since the beginning of the 1970s. The Prime Minister and his cabinet remind me of a man who had difficulty providing for the wants—not the needs—of his family; his income took care of his family's needs. Though he lived within his budget, he could never seem to get far enough ahead to take care of the many things they wanted.

Then one day he received a notice from his bank that he was eligible for a credit card. They sent him one and encouraged him to use it in every possible way. He began buying everything his family wanted. The card was like manna from heaven. However, he eventually received a statement of indebtedness and was asked to pay up. It was then that his house of cards collapsed. He became irresponsible, irrational and unpredictable, blaming everyone but himself for his own foolishness. That story applies to the Prime Minister; he need only look in a mirror to see the man responsible for Canada's economic problems.

It was the Conservative party, especially our national leader, which consistently exercised leadership in drawing public attention to the serious, even fundamental damage being done to our national fabric by continuing double-digit inflation. We led the way in calling for strong and direct government action to deal with the problem. Just as consistently, the Prime Minister and his colleagues ridiculed and criticized our proposals, calling them unworkable and unnecessary.

Our position on the evils of inflation has not changed. That, of course, is the major difference between ourselves and the government, members of which have now been obliged to reverse the cynical and misleading position they persisted in putting before the Canadian people not only during the 1974 election campaign but since, up to and including the budget of June 23 presented by the hon. member for Ottawa-Carleton (Mr. Turner). We remain convinced of the urgent need for strong and effective national action and leadership on this issue. If anything, the 15 months of ineffective action and non-leadership since the 1974 election makes the need for effective action even more necessary, as it has made inflation itself just so much more difficult to manage.

The main problem facing the government at present is that of its credibility. Speaking in Trois-Rivières, for example, if we look back to June 21, 1974, we find a headline which reads: "Trudeau Continues Attack on PC Policies on Quebec Tour". I shall not burden the record with all he said, but there was one line he repeated over and over again: he continued to criticize Conservatives for their prices and incomes policy, suggesting it would shackle the Canadian economy. Today, the Prime Minister is going around the country saying his policy is the only solution. I ask you, Mr. Speaker: which Trudeau will the Canadian people believe? Will it be the one whose words were reported in the Halifax *Chronicle-Herald* of June 21, 1974, or will it be the one who is running around the country today?

While, as I say, the main problem facing the government today has to do with credibility, I should like to make it abundantly clear at the same time that Bill C-73 and the accompanying policies announced by the Prime Minister and his colleagues do not constitute our program as we advocated an incomes policy during the 1974 campaign. There are important, if not fundamental, differences between the program we advocated then and the program which the Liberals have announced. These differences extend to policy as well as to detail.

Mr. Guay (St. Boniface): You are perfectly right.

Mr. Crouse: One basic difference is that we never presented our proposals as an answer in itself to the inflationary threat. Fundamental to our approach—and the record makes this abundantly clear—was the need to accompany a short-term controls program designed essentially to break inflationary expectations with other, and equally important measures to deal with deep-rooted causes of inflation. In that context we placed, and continue to place, major emphasis on the need for more appropriate fiscal and monetary policies on the part of the federal government. Leadership by example, which is the only kind of leadership people will understand and accept in the long run, does not simply mean holding the salaries of federal civil servants within wage guidelines or postponing the purchase of new carpets or furniture. If the call is for the nation to live within its means, the government, in order to set an example, must abide by the same injunction.

The record of the government in this respect is virtually the opposite of what is required. On the monetary front, for example, the Bank of Canada, with the government's approval, has consistently permitted increases in the money supply well in excess of any increase in real or even inflated economic growth. During the past 12 months alone, that increase has amounted to more than 15 per cent. Indeed, if one wished to look for sources of fuel for

this year's degree of inflation, it would be hard to find a better starting place than the $3 billion or more which the bank pumped into circulation during the last quarter of 1974 alone in a cynical exercise to ensure the success of the massive Canada Savings Bond program launched by the former minister of finance during that period.

If inflation is to be brought under control, increases in the money supply must, in my opinion, bear a closer resemblance to rates of growth in the economy. I would also remind the House that the government of the right hon. member for Mount Royal has set a record for living beyond its means while making unrealistic demands upon the economy. Under his administration, government spending increased from $10 billion to service 20 million people in 1968—when the right hon. gentleman came to power—to more than $35 billion to service some 22½ million Canadians in 1975-76. And the end is nowhere in sight.

According to the budget of June 23, expenditures are forecast to rise on a year to year basis by at least 11 per cent. The June forecast by the hon. member for Ottawa-Carleton of a $3 billion budgetary deficit appears, now, to be too low, and off the record—we certainly cannot find out what the deficit will be from conversations on the record—it is being predicted as likely to be $6 billion rather than $3 billion as stated by the former minister of finance. I suspect, Mr. Speaker, that this was the real reason for his resigning from the cabinet: he could no longer face himself in the mirror in the morning and live the lie he had presented to the House of Commons.

In short, the government's appetite for spending has been boundless. It has been fed by ever-increasing tax returns from Canadian pockets and by continual heavy demands upon the capital markets of the country. As Conservatives, we have continually urged the government to show restraint in its own demands upon the economy and, more specifically, to limit increases in its spending to rates of real growth in the economy, all to no avail.

● (1620)

There are at least two other basic differences between our approach as set forth in the 1974 campaign and the government's present program. First, there is the time period during which any controls program could hope to function without setting off serious new distortions within our economy. Because we realized that an incomes policy was designed essentially to break inflationary expectations and create a breathing space for other, more fundamental anti-inflation policies to be brought to bear, our undertaking was for a program of no more than 18 to 24 months. The present government bill C-73 seeks a program of three years' duration.

Mr. Stanfield: Or more.

Mr. Crouse: As my leader says, or more. There is a further provision in the bill for extensions even beyond that period. In other words, this is an open-ended bill. As I have already noted, controls can have a distorting effect upon the economy, and the longer the economy is in a strait-jacket the sharper and deeper the distortions are likely to become. But even beyond that, I seriously question whether Canadians generally are prepared to grant the federal government, especially this federal government, on an open-ended basis the kind of sweeping, centralized powers represented in Bill C-73. The exercise of this kind of power over such a long period of time raises questions well beyond that of economic distortion. In fact, it raises the issue of a very fundamental change in the balance of decision-making power within our free market system.

A second difference between the two approaches lies with the way in which one could and should lead into such a program. We advocated, as an initial step, an across the board freeze period of up to 90 days so that the government could sit down with the major interest groups involved and work out answers to the host of questions which arise in any incomes policy. Without the freeze, the present government is left to sort out the ground rules while groups and individuals scamper to assert their special interests within the program.

Within the last few days we have already seen ample evidence of the kind of confusion and exaggerated inequities that result from this government's lack of any orderly introductory period. I predict this situation will develop and grow worse in the months ahead. I make this unfortunate prediction, but I submit this might well happen. At the very least, the bill should be amended in a way that requires the government to return to parliament for renewed powers after a much shorter time period. It should then justify its need for any extension and then obtain formal parliamentary approval to carry on the program for a further period if this action is warranted at that time. We must be very careful about giving away all of our freedom through legislation such as this. It is for this reason that I make this suggestion.

Beyond the question of an effective time period there is also the question of parliamentary accountability during the period that the program is in effect. At the present time, as I read the bill—and I have read it very carefully a number of times—there is no provision for any kind of comprehensive reporting to parliament on the over-all record of the program, and no built-in opportunity for parliament, through one of its committees, to receive and scrutinize regular reports from the agencies established in the bill.

Considering the massive powers involved—and they are massive—I, personally, believe that some process of accountability is not only essential but mandatory. Any process such as this which places massive discretionary powers in the hands of administrative agencies obviously requires a comprehensive appeals procedure in order to safeguard the public against the abuse of such powers. The present bill proposes such an elaborate and complicated procedure that decisions may well be tied up for months in one appeal after another. Justice delayed is, indeed, justice denied—a situation that could well face thousands of Canadians under the government's proposed controls program.

The cause of the entire economic situation which presently faces Canadians is spelled out by the government in its 1975-76 booklet "How Your Tax Dollar is Spent". Chapter i tells us that the 1975-76 main estimates propose budgetary expenditures of $28.2 billion. This is $6.2 billion, or—I emphasize this figure—28 per cent more than the 1974-75 main estimates. This booklet is available to all, Mr.

Speaker, and it makes interesting reading. That figure is $2.8 billion, or 11 per cent above the forecast expenditure for 1974-75.

Since this booklet was printed, according to figures placed on the record by the President of the Treasury Board (Mr. Chrétien) when he spoke to the House on Tuesday these figures have now escalated to $35 billion. At the same time as the President of the Treasury Board made this figure available to us, he pleaded in his speech that those on this side give him some suggestions as to how to cut this expenditure. Well, Mr. Speaker, I have been here a long time and I believe the minister was speaking facetiously, because whenever we do make suggestions in the House and in committee as to how certain expenditures can be curtailed or cut down, to my knowledge no action is ever taken. Despite the proposals we make and the criticisms we render of certain policies, eventually these expenditures are made and we end up in the public accounts committee with someone asking why they were made.

I am prepared to give the minister some serious suggestions that I hope he will consider, for only by getting to the root cause of excessive spending can we hope, in my view, to curb inflation. For example, in the estimates of the Secretary of State (Mr. Faulkner) the minister will find a subsidy to the National Arts Centre of $6,892,000 just to keep the doors open. Apparently in the government's view the show must go on. Give them bread and circuses and let the people pay for it. If you check back, Mr. Speaker, I think you will find that Canadians built the building at a cost of something like $50 million. In desperate times of economic recession like those we face in Canada today, I believe this centre could well pay its way. If it cannot, I submit it should close its doors until things improve.

To call it a National Arts Centre is a misnomer in any event, because there are many people in my constituency, and perhaps throughout Nova Scotia, who have never even seen the National Arts Centre, much less attended a show. It is really only for the people of Ottawa. There are centres in Montreal and in Toronto, and not too many people come from regional areas to view the productions that are put on in the National Arts Centre. I think this is one area that could well be examined by the government.

I also submit the expenditures of the CBC should be overhauled. In 1957, when I first came to this House, I remember looking at the subsidy provided the CBC, which at that time was $52 million. I remember making a speech on that item. The Hon. George Nowlan was minister of national revenue responsible to the House for the CBC, and he did not take too kindly to my comments. I criticized the subsidy. I said in a speech I made in the House that it represented $1 million a week and that I felt it should be looked into.

Now what do we find, Mr. Speaker? This year, in addition to all the money that comes in from other sources, the CBC will be subsidized by the amount of $352,895,000. That is almost $1 million a day. Again, the end is nowhere in sight because I understand the amount is supposed to escalate next year on account of the Olympics, when more services from the CBC will be required. Surely, somewhere we must seek a halt. I submit this amount could and should be cut back at least to the 1973 figure, which was $114 million less than the figure listed for this year's expenditures.

● (1630)

I submit we could cut back on the CBC by curtailing programs, for in fact we have a surfeit of TV programs. I am prepared to stick my neck out and state here in this House that following the CBC news at night we could well terminate our TV for that particular day, and I would like to know just how much of a savings this would amount to in dollars and cents to the Canadian taxpayers. I submit we could make that cut without truly affecting the Canadian lifestyle.

Information Canada is listed this year at $9,562,000. I say to this House that it could be abolished. The minister ridiculed our proposal along this line in his speech on Tuesday, and said it would only save $4 million or $5 million. I submit the minister is wrong in making that statement. I checked the record and it is as I stated, $9,562,000, or almost $10 million. I submit this is no small amount. If it is a small amount in the eyes of this cabinet, I would remind the House that I come from an area where shipbuilding, ship operating and fishing operations are paramount. There is a saying in Lunenburg, my home town, that it is the little leaks that sink the ship. I would not call $10 million a little leak but it, along with some of the other leaks we see in governmental expenditures, is sinking this Liberal ship of state. These leaks are very injurious to Canadians; that is our concern and it should be the concern of all hon. members of this House of Commons. I say Information Canada should be abolished.

There is an increase in running the taxation branch of the Department of National Revenue of $45 million this year over last. The cost of Customs and Excise is up $30 million over last year. This should be investigated. There is no rationale, rhyme or reason for there being an increase of $75 million in this one department in one year. This government has been tossing around million dollar expenditures as though there were no tomorrow; but tomorrow has shown up today, which is why our economy is in this terrible condition. Internal overhead, accommodation, rent and maintenance is up over $105 million this year over last year. Why is this? Contingencies alone are up $85 million over last year. Why is that? Surely this can be curtailed.

Consumer and Corporate Affairs, a department which did not even exist prior to the advent of the Prime Minister in 1968, calls for $52,835,000 this year, up $16 million over last year. Why is this? I want to make a sincere proposal to the cabinet, and I hope somebody is listening. Why could we not take some of the bureaucrats and personnel who presently exist in the Department of Consumer and Corporate Affairs and utilize them to manage the problems that will accrue to Canadians under Bill C-73? I see a duplication in the requirements as between the Department of Consumer and Corporate Affairs and this bill which should be investigated. This bill states, at page 10, that the Anti-Inflation Board shall:

(a) monitor changes in prices, profits, compensation and dividends in relation to the guidelines and the effectiveness and workability of the guidelines both in general and in their application—

I could read it all, but hon. members can read as well as I can. There is a duplication as between this bill and the

responsibilities that have been laid before the Department of Consumer and Corporate Affairs. Do we hear anything from the Prime Minister or any member of the cabinet to the effect that we are going to take staff from this department? No, that department is to continue as it is. In fact, it is to have an increase of $16 million over last year. I say to you, sir, that with Mr. Pepin and Mrs. Plumptre monitoring price increases, there should certainly be less for that particular department to do. Surely there could be a cut in the expenditures of the department.

The Canadian International Development Agency is listed as requiring $734 million, up $207 million over two years ago. The activities of this agency are questionable. They have been seriously criticized in the committee, not only by members of the official opposition and not only by members of the NDP and of the Créditiste party, but also by members of the government party. We have all shared concern over the arbitrary actions taken by the director of the Canadian International Development Agency. I submit that these expenditures should be severely examined and curtailed by the present administration.

If you check back on some of my proposals, you will find that they come close to a saving of $1 billion, an amount which I submit could be cut off this year's proposals without in any way hurting the lifestyle of Canadians. There are many, many more, but rather than burdening the record I will let hon. members look at the estimate books themselves. However, instead of following the course I am suggesting that our Prime Minister is running up and down this nation, and instead of explaining his policy to the people he is threatening the labouring man, the businessman and the average Canadian. Instead of going hat in hand and saying, "I did make some mistakes: I did construe your wants as needs and I taxed the people accordingly; I am sorry"—instead of saying something along that line and that he will try to do better, he is out there at the various meeting halls literally threatening Canadians. He is saying, in effect, "You do as I say, or else."

In the press he is reported as having said, "If you get a raise we will tax it away from you directly or we will tax the company and take it away at the source, or we will take it from the company." What hypocrisy this is! This Prime Minister and this government should seek the co-operation of the people and they should provide an example for all of us.

To date the Prime Minister has said nothing about decreasing the staff of bureaucrats in government. He has said nothing about reducing unemployment insurance benefits for those who refuse to work. He has said nothing about tax incentives for small business. He has said nothing about tax incentives for individuals in this nation—and thank God for them—who are willing to work harder. We hear nothing of this nature from the Prime Minister.

I say to you, sir, that the times call for bold, cold and harsh government cuts and for rewarding the output efforts of others so we can compete in world markets. Instead of following this course, the Prime Minister has been fiddle-faddling and fuddle-duddling while the nation is burning. In closing, I would commend the words of that great United States president, Abraham Lincoln, for the consideration of the government, for they are as true today as they were when they were first uttered. He said:

[Mr. Crouse.]

You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot help the poor by destroying the rich. You cannot build character and courage by taking away man's initiative and independence. You cannot help a man permanently by doing for him what he could do for himself.

I urge this government to give these views serious thought, for in these gems of wisdom spoken by a great leader of another country lies Canada's only real hope for a prosperous future.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I feel it is my duty as a member of Parliament to express my views on Bill C-73 introduced by the Minister of Finance (Mr. Macdonald) to enforce the contents of the white paper as an attack against rising consumer prices.

In 1968, the Prime Minister (Mr. Trudeau) offered to the nation a political program whose first objective was to establish a just society. The people believed in the Liberal party's promises and in the just society for all Canadians of good will. The Liberal party won the election with a very large majority. From that moment, it had the power to legislate to establish a more equitable society in Canada.

To my mind, Mr. Speaker, a just society is one that first recognizes to every individual and every family the right to an adequate income to meet its essential needs, that is to say, an income which would enable each family to live above the poverty level, as defined by the Senate Committee report on poverty.

Nature imposes on family heads the sacred duty to feed and provide for their children. It goes even further. Because children resemble their fathers—they are somewhat the continuations of their beings—nature inspires them with the idea that they must provide for their future and create an inheritance which will help them fend for themselves, along the perilous journey of their lives, against the strokes of fate. Is it with minimum wages of $2.60 an hour that the head of a family can live up to his obligations and make his dreams come true? And yet, we have been told that the minimum wage level in the province of Quebec has been frozen at $2.60 an hour.

However, judging from the white paper and the bill under review, I am afraid that small earners will be put at a disadvantage and that the gap which separates them from the privileged of society will grow even wider, which may be a source of social disturbance which will benefit no one.

● (1640)

It is the duty of the state to favour greater co-operation between capital-labour and capital-money. Capital-labour has rights, but it has responsibilities as well. One of these is to provide faithfully all the labour it has agreed to provide under a free and fair contract. It must make every effort to provide a performance of quality which will contribute to lower production costs, as well as facilitate better competition, which would serve to fight effectively against unemployment.

On the other hand, the rich and the businessman must not treat workers as slaves. They should justly respect in them the dignity of man, as well as their human rights. Physical labour is far from being shameful.

On the contrary, it reflects credit on man for it is a means which enables him to earn a living. What is shameful and inhuman is to make use of man as if he were a mere instrument, to esteem him only in relation to his physical strength, which allows the firms to make bigger profits.

The unions' first duty, Mr. Speaker, is to stand up for the workers' rights on wages and working conditions. In general, they fulfill this first duty rather well. However, union leaders should make a point of informing their members of the various wheels of our economic system, particularly in the production and consumption areas, and also of the monetary system whose function is to serve as the link between the work capital-labour and capital-money.

Thus the state has the duty to see that harmony and justice is maintained between those two forms of capitals, which would help a lot to resolve the problems of both inflation and unemployment.

We live in a consumer society which has gone far beyond common sense. Even governments spend without much consideration. Departments and Crown corporations are not in the least economical. In many cases the replacement of equipment which is still fit for use could be regarded as wasteful and the workers who have to carry out those changes are sometimes shocked when they see the government give away at ridiculous prices things that have cost a lot of money and are still in good condition.

Even the public is aware of this waste. The same bad example, Mr. Speaker, is given by the big companies which get contracts from governments, and once again it is the public that foots the bill through taxes which increase all the time and which are one of the causes of inflation.

Let us see what happened in the refurbishing of the *Bonaventure*. Witnesses appeared before the committee of the House who proved beyond a doubt that millions were spent needlessly, that there were even cases of patronage which cost millions to the Canadian taxpayers.

Considering the bad example given by public powers and big business, how, Mr. Speaker, can the public not be tempted to get rid of things than can still be used though they may not be in the latest fashion? Those things are scrapped, sent by boat to Japan where the Japanese use them to make goods we then buy from them, while in the meantime thousands of Canadians live willingly or unwillingly off unemployment and welfare.

One day, when I was a young man, I went with my father to a meeting which was held in a classroom of the school of my village. The guest speaker told us about the advantages of establishing a caisse populaire Desjardins in our parish. He told us about the good virtue of saving and the advantages we would derive from it if we channelled our savings into such a credit union for our future needs.

Mr. Speaker, I wonder if saving is still a virtue, if it must be practised only by the underprivileged groups or if public authorities must also set an example.

At the inauguration of a building which was to become a caisse populaire Desjardins, I told the audience, particularly the young people, that saving was still a virtue to practise, that they would miss later in life the $10 they spent without thinking today and the $20 they refuse to earn today.

How can you honestly ask the Canadian people to tighten their belts when the authorities let super-commercial enterprises make advertisements on the radio, on television, inviting us to spend.

● (1650)

Those ads cost a lot of money and are added to the price the consumer must pay. Ads urge you to spend now and pay later. Finance institutions are taking advantage of that and putting people in the red through loans made at usurious interest rates under the sympathetic eye of authorities. Even governments practice that policy. There is proof in the housing area.

The Central Mortgage and Housing Corporation makes loans to corporations for housing construction for periods of up to 50 years at very high interest rates, with the result that the public will pay their houses four times and own them only after 50 years. People who will be born in 50 years are being put in the red to pay for services for today's generation; yet at that time they will still have to pay for their own services. That is what you call a sound financial system. I do not understand anymore, Mr. Speaker.

The government is asking people to tighten their belt and workers to refrain from seeking higher wages. How is it possible for them to welcome this message when we witnessed in the last few years, and particularly in the last months, a steady increase in the prices of building materials, oil, natural gas, gas and even the gas tax, utilities, clothing, food, and despite the fact that the farm producer does not get the income he is entitled to.

For example, Mr. Speaker, let us take the prices of farm machinery and spare parts, which increased in a discouraging way for farm producers in the past 12 months. How can one expect those same farm producers to produce more economically and accept a drop in the prices of their products?

Only this morning, Mr. Speaker, we learned on the news that Ontario Hydro is increasing its prices by 25 per cent. Who will pay the bill? After big businesses increased their prices in a comfortable way in anticipation of a possible increase in salaries for 1976 and many workers agreed to wait until 1976 to renew their collective agreement the government now imposes a ceiling on them. That is what made my colleague the hon. member for Mercier (Mr. Boulanger) say, as reported in Montreal's *La Presse* of October 15, 1975, and I quote:

> Liberal party workers are more bitter than Juneau.

And the article goes on:

> Prosper Boulanger, M.P. who was responsible for the campaign, stated to a journalist from *La Presse* that "if Juneau was defeated, it was because of that . . . statement made last night".

It was the statement made the night before the election. It is a Liberal member of parliament who condemns his government's policy. Further, it says:

> Other party workers present agreed with "Prosper". Mr. Boulanger even went as far as to say: "It is not Juneau who was defeated, but the government".

Mr. Speaker, is it any wonder that in the press throughout the country, the people, especially low-wage earners, find it hard to accept this policy of restraint brought

forward by the government, this ceiling policy which will be, as I said earlier, very painful for low-wage earners. This ceiling, in my opinion, hits low income groups harder than the others. As far as I am concerned, I think that the percentage—this is a suggestion I now make to the government—of salary increase should be higher for low-wage earners and lower for high income groups. Let us keep in mind that consumer prices are the same for a family with a $6,000 income as for the one with a $15,000 or $25,000 income. If we want to achieve a distributive justice, we will necessarily have to take means to that end. The white paper makes no mention at all of lower interest rates. Yet, interest rates at existing levels are one of the major causes of inflation and unemployment.

Yet there is an institution responsible for setting interest rates: the Bank of Canada. However, the distinct impression is that chartered banks are the ones that set interest rates. That form of financial dictatorship was exposed more than 40 years ago by Pope Pius XI in the following words:

> In the first place, it is obvious that not only is wealth concentrated in our times but an immense power and despotic economic dictatorship is consolidated in the hands of a few, who often are not owners but only the trustees and managing directors of invested funds which they administer according to their own arbitrary will and pleasure.
>
> This dictatorship is being most forcibly exercised by those who, since they hold the money and completely control it, control credit also and rule the lending of money. Hence, they regulate the flow, so to speak, of the lifeblood whereby the entire economic system lives, and have so firmly in their grasp the soul, as it were, of economic life, that no one can breathe against their will.

Mr. Speaker, the situation has not changed. To the contrary, the power of banks grew tremendously in the last few years, so much as that on January 1, 1974, chartered banks could grant $57 billion of the nation's credit out of a total money supply of $62,860 million.

The nation, through the Bank of Canada, has created only $5,860 million. This is why I say that the monopolies are getting stronger because they now have their own banks and lend money to each other at exorbitant interest rates, which necessarily increases production costs, and, of course, the consumer foots the bill.

Small businesses suffer from such disloyal competition because they cannot fight on an equal basis. Only the strongest and the less scrupulous can survive.

Mr. Speaker, the gross national income has increased considerably in the last few years, except in 1974, which goes to show the material prosperity of our country. This prosperity must be shared with the low income groups. It provides a golden opportunity for democracy, but democracy must take charge and insure that the distribution is equitable and just, otherwise this prosperity will not last much longer.

If, on the other hand, Mr. Speaker, we are generous and open, if we are far-seeing and if we see to it to distribute our wealth fairly and equitably, our country will enjoy great prosperity for a long time.

It is therefore essential that we take unprecedented steps to end abuses, to largely restore material prosperity, to restore the confidence of the millions of Canadian citizens who have been traditionally taught to expect democracy to provide them with opportunities and an ever greater security in this world where science brings more and more material wealth to mankind.

Obviously, therefore, it is important for every healthy individual in the country to be productive, for every factory to operate, for business in general to make reasonable profits. But the government of a country does not exist simply for this purpose. It is not enough to make the wheels turn. Governments must lead mankind towards a greater satisfaction. The most basic aim of a democratic government is to help the greatest possible number of citizens, especially those who need it most, to improve their standard of living, to protect their personal freedom as long as they do not harm their neighbours, and to seek the happiness that security as well as recreation and cultural opportunities provide.

Obviously, those who are concerned about the future of our country are aware that the biggest problem Canadians have to solve is poverty within a wealthy country. This problem consists in distributing to the people all necessary goods and services it is possible to produce. I always thought I should take for granted that there is a social answer and that the rational process consists in identifying the problem first, then finding a solution and finally implementing this solution in a practical and sensible way while keeping in mind the basic characteristics of human nature.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the honorable member for Yorkton-Melville (Mr. Nystrom)—Public Service—Suggestion salary increases for executive category approved at same cabinet meeting as control program approved; the honorable member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Sale of nuclear reactor to South Korea—Request for debate prior to signing of agreement; the honorable member for Provencher (Mr. Epp)—Public Service—Suggested denial of right to strike—Government position.

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

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there has been agreement among all parties in the House to proceed with order No. 15 and allow a 15-minute debate on it, to be followed by order No. 30, again with a 15-minute debate. At 5.30 the division bells will ring and if it is agreeable, we will, proceed to a vote at that time on both motions in sequence.

● (1700)

The Acting Speaker (Mr. Turner (London East)): Is that agreed?

Some hon. Members: Agreed.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, that is agreed subject to the following: I am prepared to waive my right under Standing Order 48(2) to close the debate within those 15 minutes. I will not reply.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*Translation*]

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND PROVINCES ON SUBJECT OF ABORTION

The House resumed, from Thursday May 29, consideration of the motion of Mr. Stuart Leggatt (New Westminster):

That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Minister of Justice and the Attorneys General and Ministers of Health of the provinces dealing with the subject of abortion and/or section 251 of the Criminal Code of Canada.

Mr. Bernard Loiselle (Chambly): Mr. Speaker, today the House is to discuss the release of documents exchanged between the federal government and the provinces on abortion and Criminal Code section 251.

Once more, we see the opposition using that kind of motion to bring back to this House the basic issue of abortion. I regret that oftentimes indirect means have to be used to do what was agreed by all would not be done. Let us then say that if we are to give a meaningful answer to the question, we must limit ourselves to discussing the question of principle involved, that is disclosure of information.

This government proved quite clearly it wanted to move in that direction when in 1973, on March 15, guidelines were issued by Privy Council. Before that date, the situation concerning disclosure was that papers were published if and only if this did not embarrass the government. With the new guidelines, the government improved the situation by accepting a new set of rules. Any document requested should now be published, unless a basic reason prevents it. Before doing this, the government considered a number of factors and especially the desirability of giving as much information as possible to this House and the general public. However, and I hope colleagues from the other side will understand, in addition to pleasing the general public and quenching the thirst of opposition members, a government must first and above all govern. This involves basic rules to be respected, especially in the matter of federal-provincial relations.

A matter as crucial as abortion should then give rise to numerous exchanges of letters and discussions between the various levels of government. And section 4 of the guidelines issued by the Privy Council is categorical: "Papers, the release of which might be detrimental to the future conduct of federal-provincial relations or the relations of provinces inter se, should be exempt from production".

Once again the opposition is making a further attempt to ask us, through a well-established and generally accepted rule—and I am sure our friends from the NDP voted for and readily accepted those guidelines—to ask us to discuss again by means of that motion the matter of abortion.

Mr. Speaker, if we are to establish positive relationships between the provinces and the government of Canada, I think we should stick in every respect to the 1973 guidelines of the Privy Council.

Finally I wish to raise a point with respect to the substance of the matter our friends from the NDP want to discuss, namely abortion. I believe the hon. member for New Westminster (Mr. Leggatt) was quoting one of his colleagues whom he deeply admired when he said that we should deal with that matter more rationally than emotionally, and on that point I agree with him entirely. And I wonder, without taking sides one way or the other, whether all those who boast that they can speak objectively on that question on the one hand, and come here with test tubes to show us what is a two, three or four month old foetus, and all those who, on the other hand, come and tell us it is the health, the mental and even sometimes the economical health of the mother which must be considered, I wonder whether those people are really unemotional.

I wish my friends opposite would agree to play the necessary mental game on that question. With so many pressure groups sometimes being insolent, and I mean it, when we are dealing with this issue, and sometimes with groups asking that we totally reject abortion, whatever the reasons urging any medical council to allow it, we should ask such groups whether they are for or against the death sentence. Usually, 90 per cent of them answer that they are for.

Then, if respect for life is an important matter, it remains just as much so for an unborn child who will indeed be born as for an individual who was born but who, due to bad training or education, has not received all the benefits society offers him.

In conclusion, Mr. Speaker, I hope that the opposition will once again take good note of my message, namely that we do not do, and this is a good old legal principle, that we do not do indirectly what we cannot do directly.

Mr. Francis Fox (Parliamentary Secretary to Minister of Justice): Mr. Speaker, my predecessor, the hon. member for Lapointe (Mr. Marceau) had contributed to this debate in May last year. At that time, he had briefly stated the government position on the matter. Instead of going over his statement, I will elaborate a little more along the line of argumentation he used at that time.

First of all, I should point out that the hon. member for New Westminster (Mr. Leggatt), with his well known cleverness, has managed to turn this debate on the production of certain papers into a debate on the main issue. I do not intend to discuss the substance of the issue, that is abortion, but to state briefly the grounds which are the basis of the government position in asking the hon. member to withdraw his motion. Perhaps I should point

out that since the motion has been tabled, the government has set up the Bagel committee which were instructed to investigate look into the application of section 251 of the Criminal Code in all provinces and report at an early date. The facts as reported by that committee will undoubtedly pave the way for a debate to throw more light on that important question, but the main issue on which we have to take a decision now concerns motion No. 15.

In this motion, the hon. member requests that all correspondence between the Ministers of Justice, the Attorneys General and the Ministers of Health of the provinces concerning the enforcement of Criminal Code section 251 be made public.

The question of the duplication of information by ministers of the Crown, as outlined by the hon. member for Chambly (Mr. Loiselle), has been discussed several times in recent years. In March 1973, the President of the Privy Council proposed a set of guidelines on that vast question and, as a matter of fact, the whole matter was discussed later on by a committee of the House whose responsibility was to study statutory instruments.

Now, the motion refers precisely to the correspondence between the federal government and the provinces, which obviously falls under section 4 of the guidelines which deals with the refusal to produce government papers, the release of which might be detrimental to federal-provincial relations.

Mr. Speaker, I am sure all hon. members are fully aware of the particularly complex and ticklish nature of federal-provincial relations. Obviously, in some cases, the prime objective of the government, namely to inform, must give way to other interests, of which the free and open exchange of communications between the federal and provincial governments. It cannot be denied that when information is intended for the people or public debate, its expression often takes a meaning or shading that differs from those that are important to the promotion and preservation of the elements of compromise and understanding, as well as open-mindedness, that are indispensable to a healthy balance in federal-provincial relations.

As pointed out by my hon. colleague for Chambly, Mr. Speaker, with all the perspicacity and intellectual sharpness he is known for, honesty and open-mindedness are truly indispensable requisites for good federal-provincial relations. It is always with an awareness of the difficulties which surround those conditions that we endeavour ceaselessly to give satisfaction to the people. The best way of doing this is not to disclose this kind of information we are talking about today at the risk of jeopardizing the good faith and mutual trust so valuable to ensure a lasting dialogue with the provinces.

On several occasions, Mr. Speaker, reference was made in this House to the Sweedish system of information distribution. The fact is that it provides for exceptions, and rather important ones at that. Which proves that it is not as exhaustive as it looks. Perhaps it would be interesting to quote from or—considering the time limit in this debate—simply refer hon. members to the evidence given by Mr. Donald Rowat, professor at Carleton University, before the Standing Joint Committee on Regulations and Other Statutory Instruments.

It might also be noted, Mr. Speaker, that in the United States under the Freedom of Information Act this kind of paper and information also comes under exceptions to the rules of disclosure.

In conclusion, Mr. Speaker, I would like to point out that for the Minister of Justice it is in the interest of hon. members as well as the public to disclose as much information as possible on government activity. But it is obvious that there must be reasonable limits to that rule—and, of course, "reasonable" is the operative word. Reasonable limits are those which allow the government to act with efficiency and in all security. Consequently, the exclusion of all intergovernmental correspondence of the type provided for in the motion is both a motivated and necessary exception. That is why, Mr. Speaker, I would ask the hon. member kindly to withdraw his motion.

● (1710)

[*English*]

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I might answer the last question first by saying I do not propose to withdraw the motion. Perhaps I should deal very briefly with the reasons.

The hon. member for Chambly (Mr. Loiselle) suggests that there is something the matter with the motivations of a member who brings forward a motion to release correspondence between the Minister of Justice and health ministers and attorneys general of the provinces. He says that this is an excuse to bring the subject of abortion into debate in this House. I categorically deny that.

There is every reason in the world why this government should not hide behind the cloak of confidentiality or the subterfuge of its affecting provincial-federal relations. There is every reason in the world why the public should know what the law is on this subject. In fact, right across this country the law is not being applied in a manner that is consistent. It is applied one way in one province and another way in another province. That is the reason I want to see what the Minister of Justice has been saying to his counterparts about this subject.

The hon. member for Chambly suggests that this is a back door way of getting a debate on abortion. Mr. Speaker, it is the government's responsibility to see that matters of national importance are debated in this House. That subject should have been debated fully in this House a long time ago. We would be a lot better off if it had been. We may then have seen some changes—maybe not changes that we would all like, because there are great differences of opinion on the subject. There seems to be a conspiracy of silence in this House not to talk about this question. It is long overdue that we should talk about it.

The other reason given by the parliamentary secretary is the effect on federal-provincial relations. In fact, the precedents are overwhelming of motions being agreed to and not withdrawn. I could go into a long list of matters where the correspondence has been released. It is past the time for this government to hide behind the cloak of secrecy and confidentiality. That includes the motion on CIDA that we are going to deal with after this one. Exactly the same principle applies. It is not giving the opposition the opportunity to do its job; this government continues to deny that right to opposition members.

I say to all members of this House, regardless of where they stand on the subject matter, that it is time they stood up and were counted and told this government to let us know what is going on.

Some hon. Members: Question.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): The question is on motion No. 15. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): According to special order made earlier this day, the division on this motion is deferred until 5.30 p.m today. We will now proceed to notice of motion No. 30.

COPIES OF AREA PROGRAM SUMMARIES FOR 1972-75

The House resumed, from Thursday, October 16, consideration of the motion of Mr. Munro (Esquimalt-Saanich):

That an order of the House do issue for copies of the Area Program Summaries for the years 1972-73, 1973-74 and 1974-75, covering such areas as Commonwealth Africa, South America, Francophone Africa, and any other area breakdowns for which Area Programs have been prepared.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I want to review briefly the purpose of this motion introduced by my colleague, the hon. member for Esquimalt-Saanich (Mr. Munro). It asks that the government produce area program summaries of the Canadian International Development Agency for specific years. It is very clear that what the hon. member is asking for is not studies of what CIDA is contemplating or papers relating to delicate negotiations that it is carrying on with countries which may be helped by CIDA; what is being asked for are area program summaries of actual ongoing programs that have been funded by the House of Commons and for which members of parliament have a responsibility.

We want these papers because the CIDA budget is now $933 million for this fiscal year, and according to the intention of the government to follow through with the strategy of international development co-operation for the five years 1975 to 1980, our budget for CIDA will grow to .7 per cent of the gross national product. With normal escalation for the next fiscal year, the figure will go to over $1 billion. When that figure is introduced, I predict that the public will become quite concerned about how the money is being spent at a time of restraint in our society. It is not that we begrudge the normal escalation of the CIDA budget, but at this time it is imperative that we assure ourselves, as members of the public and as members of this House of Commons with responsibility for funding, that the money is well spent and that public support is maintained for the CIDA program.

Obviously, members of parliament cannot travel all over the world to look at 2,000 projects in 76 countries. It is just impossible for us to examine the effectiveness of those programs. But we need more than the publicity material put out by CIDA to make a judgment on the worthiness of those projects. We need a criterion of judgment to fulfil our responsibilities. We need to be able to assure the Canadian people that with respect to this large budget, which is going to get bigger—and I speak as one in favour of its getting larger—the money is being well spent. We need to have a criterion of judgment, and that is what the hon. member for Esquimalt-Saanich has sought through this motion.

We find, however, that there is a record of CIDA being rather closed in its disclosure of operating procedures. This fact concerned members of the Standing Committee on External Affairs and National Defence and the new subcommittee on international development. When the Price-Waterhouse management study was commissioned a couple of years ago, it was denied to members of parliament and particularly to members of the committee who had to pass the appropriations for CIDA on the ground that it was an internal matter. Last spring my request for papers relating to CIDA's five-year strategy was denied. Now my colleague is to be denied the area program summaries of ongoing programs. We must ask ourselves, why is CIDA refusing to give to members of this House documentation to which we have a right; documents we need in order to fulfil our responsibilities?

● (1720)

Mr. Paproski: They are hiding something.

Mr. Roche: Last March, the previous parliamentary secretary said, when refusing the motion, that the production of these papers regarding CIDA might be detrimental to the future conduct of Canadian foreign relations. That is an interesting statement. Not only was it rubbish, but it was not even supported by the hon. member for Charlevoix (Mr. Lapointe) who spoke first in the debate last week on behalf of the government. He suggested that the area program documents are part of a whole and that they take into account historical and economic data relating to our programs in these other countries.

This is precisely my point, Mr. Speaker. Because these area program summaries are part of the whole picture of how Canada establishes programs in the first place, it is absolutely essential that they be made available to us in order that we may judge how these programs are actually working. I wish hon. members opposite would get their stories straight. Are we being refused these documents because their production would be detrimental to our foreign relations, or are they being refused because it is felt that members of parliament cannot be trusted with working papers to do with ongoing programs? If the latter is correct, namely, that we cannot be trusted, I can only

say that it is absolutely ridiculous to come to members of parliament and ask them to fulfil their legal responsibilities by voting for money without giving them the information they need.

Some hon. Members: Hear, hear!

Mr. Roche: Let me say a word about confidential matters. I am positive, and speak with some assurance, when I say that if the government or members of CIDA had come to the hon. member for Esquimalt-Saanich, to the hon. member for Saint-Hyacinthe (Mr. Wagner) or to me and said, "Look, these are the reasons why these papers cannot be brought into the House" we, as reasonable men, would have said, "All right." But they did not do this. CIDA has not told members on my side of the House why these papers cannot be brought forward. Therefore, we are forced to come to the conclusion that the production of the papers would be a source of embarrassment to CIDA and, possibly, to the government. That, of course, makes it all the more incumbent upon us to press for material which will enable us to fulfil our responsibilities.

I make it clear that I have no desire to hurt CIDA. I have no desire to participate in this debate in a partisan way. I do not want to hurt the ongoing program. Indeed, I want to help it. I know that the speech I am now making will be carefully read by the senior management of CIDA. I say to the senior management of CIDA that the way CIDA is presently being operated involves a certain element of risk with regard to the future of CIDA and, in the next fiscal year, to future programs of CIDA. I say this as CIDA treats members of parliament as people one cannot trust and to whom the organization will not give information.

Some hon. Members: Hear, hear!

Mr. Roche: The new subcommittee on international development is about to begin its work on the new economic order as passed by the seventh special session of the United Nations General Assembly. This, of course, is to be conjoined to Canada's own five-year strategy for international development co-operation. Never before in the history of parliament has there been greater need for a more penetrating and responsible study of Canada's role in international development.

I and other members of the subcommittee want to participate in a non-partisan way in the complete examination of everything involving our relations with developing countries, and CIDA is but one part of this process. We must be able to relate CIDA programs to the multi-dimensional strategy of the five-year program which involves commodities, trade liberalization and industrial co-operation. It will be impossible for this committee to work effectively unless it does its work in a good, non-partisan spirit based on information of what CIDA is doing and what its future plans are.

In conclusion, I say that CIDA is gambling; it is taking a risk. I suggest that CIDA is taking a reckless gamble; it is ignoring members of parliament who will serve on the subcommittee and who have a special responsibility to examine and support the government's five-year strategy. This, of course, is one of the most important things this government has done during the past year, even though the matter has not yet come forward for debate in this House. But it will be debated some time during the next few months. This work relates to the most important problem in the world, global survival. The question involves narrowing the gap between the rich and the developing nations.

Unless CIDA enables us to participate in a way which will allow us to contribute constructively to the government's policy, CIDA risks alienating public support for programs which it wishes to grow and become more meaningful. On our side of the House we stand ready to support those programs, but we will not sit here and be rolled over, as it were, by a government which refuses to produce necessary documents.

The parliamentary secretary suggested that there are reasonable limits governing the production of papers. I suggest that the government itself is transgressing those reasonable limits. We are being reasonable. We need those papers which will help us to do our job. We need them if we are to examine CIDA's programs. It is an organization we wish to continue supporting.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, first I wish to thank briefly the sponsor of the motion, the hon. member for Esquimalt-Saanich (Mr. Munro), for the kind wishes he extended to me on the 16, when he stated why this motion was being moved. But I was somewhat disappointed when he offered his co-operation provided I would table the papers.

I will now offer him mine, provided he withdraws his motion in a moment. But before I deal directly with the motion, I would like to point out the inaccuracies—not to say unfair comments—voiced on the 16 and also the chafings suggested to me by the hon. member for Edmonton-Strathcona (Mr. Roche) a while ago.

[*English*]

On October 16, Mr. Speaker, the hon. member for Winnipeg South Centre (Mr. McKenzie), speaking in support of the motion requesting the disclosure of documents from CIDA with respect to the regional program, that is, with respect to the area by area summary of programs throughout the world, said things that are grave accusations. I wish to set the record straight and to correct some of his remarks, as I think it is important to do so. He quoted extensively from reports printed in newspapers, some of which had been printed as long ago as last January. That surprised me. I think the hon. member ought to have been more aware of the general level of CIDA projects. He should have kept pace with the changing world.

The Acting Speaker (Mr. Turner (London East)): Order, please. It being 5.30 p.m., pursuant to the special order made this day it is my duty to interrupt the debate and forthwith put the question on motion No. 15.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Call in the members.

The House divided on the motion (Mr. Munro (Esquimalt-Saanich)) which was negatived on the following division:

● (1730)

(*Division No. 73*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Brewin
Brisco
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Ellis
Epp
Fairweather
Firth
Fortin
Fraser
Friesen
Gauthier (Roberval)
Gilbert
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Huntington
Jarvis
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Laprise
La Salle
Lavoie
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Masniuk
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nystrom
Oberle
Orlikow
Paproski
Patterson
Peters
Roche
Saltsman
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stevens
Symes
Towers
Wagner
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—85.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Fleming
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacFarlane
MacGuigan
Maine
Marceau
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Morin (Mrs.)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Smith (Saint-Jean)
Tessier
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Yanakis
Young—109.

Motion (Mr. Munro (Esquimalt-Saanich)) negatived.

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND PROVINCES ON SUBJECT OF ABORTION

The House resumed consideration of the motion of Mr. Leggatt:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Minister of Justice and the Attorneys General and Ministers of Health of the provinces dealing with the subject of abortion and/or Section 251 of the Criminal Code of Canada.

Mr. Speaker: The question is on the motion in the name of the hon. member for New Westminster (Mr. Leggatt).

The House divided on the motion (Mr. Leggatt), which was negatived on the following division:

(*Division No. 74*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Brewin
Brisco
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Epp
Fairweather
Firth
Fortin
Fraser
Friesen
Gauthier (Roberval)
Gilbert
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Huntington
Jarvis
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Laprise
La Salle
Lavoie
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Masniuk
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)

Abortion

Messrs.

Murta
Neil
Nystrom
Oberle
Orlikow
Paproski
Patterson
Peters
Roche
Saltsman
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stevens
Symes
Towers
Wagner
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—84.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Fleming
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacFarlane
MacGuigan
Maine
Marceau
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Morin (Mrs.)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Smith (Saint-Jean)
Tessier
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Yanakis
Young—109.

● (1800)

Mr. Speaker: I declare the motion lost.

Motion (Mr. Leggatt) negatived.

Mr. Speaker: It being after six o'clock I do leave the chair until eight o'clock this evening.

At 6.07 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

[Mr. Speaker.]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I still have a few remarks to bring to the attention of the House and the government before bringing my speech to a close.

Having studied very closely the bill and the white paper, I must say that I have no confidence in the measures proposed. They do not attack the root of the evil. The bill does not say steps will be taken to lower interest rates or brake the exorbitant profits of our banking institutions. Now, on page 5 of the white paper, one can read as follows:

> As to profits and prices, the guidelines set a limit on the increases in prices in general, which is equal to the amounts necessary to cover the added costs.

Now, the interest rates will surely always be taken into account in the added costs. In the same chapter on added costs, no percentage is indicated, whereas percentages are given in other areas, in the area of incomes for instance.

The formula of contemporary economists proved a failure. Why would not the government take the trouble to study the means proposed by Major C. H. Douglas? He is a human being. He is an able man. He made considerable research. He submitted proposals. I think they are as good as those we witnessed. One can always at least take the trouble to consider them, to study them, to see whether they would not point to some element of a solution. The takeover of the emission of credit by the State is Mr. Douglas' first proposal. According to it, for the administration of public expenditures, states, governments should no longer depend on the will of those who control currency and credit. Mr. Douglas proposes that governments cancel the privileges which were given to the banks in the establishment of credit, as far as the emission of new credits is concerned and that these operations are reserved to an institution which would be exclusively controlled by the state and which would be to the benefit of the state.

Banks will continue to play the role they play today with a formidable accounting, nobody denies that, but at least they will be subject to a guideline issued by an institution which will have powers and which will enable the government to plan long term measures with financing means corresponding to our capabilities.

● (2010)

Second, he proposes to distribute a national dividend to Canadian shareholders as a means of raising their income without increasing prices. Then, it is the annual guaranteed income formula under another name if the Canadian people are given a discount, a return for their participation in the gross national product, which would be added to their salary without affecting prices. I think that a government worthy of the name should aim at establishing a certain standard of justice for the redistribution of wealth, so that the least privileged in our society may be at least ensured the bare necessities. This is one means of reaching that goal. Then we should provide a discount on the retail price of Canadian products as a regulator. It is the opposite of a tax.

Not so long ago, an hon. member was scoffing at this Douglas proposal. He said that it was misunderstood by everyone. But the discount formula on milk retail prices was understood and implemented in 1972. It gave results. If it did not take up too much of the House's time, I would quote figures that show that in each province, it was profitable for Canadian families which received considerable amounts. It was related to milk consumption. If a family consumed five quarts a day, it got five times the discount and if it bought only two, it had twice the discount. Then, it was a regulator. This regulator could also apply to all other Canadian products. This last measure would promote the consumption of Canadian products and therefore increase job opportunities in Canada.

Obviously, if we consume more Canadian products, warehouses will become empty, industrialists will be interested in producing more and they will hire workers. Automatically, this measure would fight inflation and also create more jobs.

In the past, Madam Speaker, when Social Crediters proposed this economic and financial philosophy of Major Douglas, the governments rejected it under the pretext that it would create inflation and unemployment, but this is no longer justified.

Now, we do not have a Social Credit government, but we have a debt-credit system, inflation and unemployment. So, we have inflation and unemployment but we do not have Social Credit. Inflation is not due to the Social Credit and neither is unemployment.

I hope that once and for all those who were not aware of it will find out that it has nothing to do with the matter. The system is deficient and obsolete, thus giving rise to inflation and unemployment. We must therefore make some changes.

Some people, because of their ignorance or their thoughtlessness candidly say that the Douglas system is a money printing press. We have often heard that, it is an old story. However, they forget that the present system is a tool to pile up debts and levy taxes. Why should we not restrict debts and taxes if we want to freeze something? Let us also freeze what hurts the Canadian taxpayers.

Therefore, a discount at the retail level would substitute cash purchases to purchases on instalments. Sales are made under pressure when the buyer is almost compelled to buy. This is the one of the evils we are now subjected to and I would like the government to take steps to control that evil which erodes the purchasing power of the people even before they earn a salary.

Pressure sales consist in selling people anything from automobiles to washing machines in an installment credit system. That means that the people as such do not have enough purchasing power to buy those goods on an installment credit basis. They are therefore lead, in a purely logically and inexorable way, to mortgage not only their belongings but also their future earning power. And it is just a matter of time until they can no longer fulfill their commitments, which means another economic collapse of our nation.

This is a matter of serious concern. People are lead through all sorts of means to run into debts to provide for current necessities. Finally, Madam Speaker, a bill should be tabled as soon as possible, a bill which would provide for a guaranteed minimum income to increase the purchasing power of lower income groups and to enable them to take advantage of the huge wealth of our country. I think such a legislation should be introduced as soon as possible to provide increased security for families. If we increase the buying power of people who really need it, they will feel more secure, and this would in my opinion help the Canadian economy get back on its feet.

Third, I consider the government would also be wise to find a new way of financing the public sector which has become a huge burden for Canadian taxpayers. Just look at the considerable increase in our national debt, in the debts of provinces and municipalities, and you will realize that it is a system which no longer meets today's needs and becomes more and more of a burden for taxpayers. Why should we have a nation of debenture holders and slaves rather than a nation of shareholders?

I never could understand that. I have always been astonished that because we work a lot, we sink into debt. It seems to me that in my family when we worked together we used to prosper, we seemed to get out of debt. But because we live together in our society, the more we work the deeper we get into debt! This is beyond my understanding.

We saw that the Plumptre Commission did not work. We got a lot of reports but none with constructive solutions. True, the board had no powers. Its role was to find out, to scrutinize, to visit retail outlets to see whether prices or profits were too high. It was only empowered to review. I said a number of times in this House that the board would have played a much larger part if it had had certain powers. Laws get into our books but are not enforced. If the board had had some teeth built into it, when it was time, maybe we would not be facing the current situation.

Another commission will be created under Bill C-73, and once more regulations will be issued without being submitted to Parliament. There is a gap in our procedures. I submit once more that regulations should be approved by Parliament or one of our committees. Almost every day we face problems with regulations that were issued under one statute or another, and very often we do not recognize the intent of Parliament in the regulations. Parliament's intentions are distorted, the regulations were made to fit the purpose of those who prepared the bill and submitted it to Parliament. They had different ideas than Parliament, and this creates problems. The bill also provides for the signing of agreements with the provinces. I fear this may give rise to new opportunities for the federal government to further centralize at the expense of the provinces, so I caution the government. We have had some of those agreements and because the central government proved to the provinces they were absolutely necessary, the provinces fell for it but later woke up and realized they had lost powers, which led to disputes. It will be remembered, for instance, that during the war the provinces, Quebec at least, yielded jurisdictional areas to the federal. That is what happened when Premier Godbout ceded certain rights to Ottawa. Quebec has been fighting ever since to recover the yielded rights and has much difficulty in succeeding.

Just one more minute and I am through, Madam Speaker. We shall not start another constitutional battle for all

that! Time will tell. I also remember the famous wartime prices and trade board. I have not forgotten that companies got rich on the black market while people were rationed.

I would also suggest that consumers' associations be consulted and that members of those associations become members of the board. Surely they should have sensible advice to give, and this would be an additional guarantee for consumers as a whole. So, since it is wished to protect the consumers, let us give them a chance to be heard, to be accepted within the board, so that they can give their opinion and better protect their fellow consumers, often those who are the most exploited.

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, we have before us Bill C-73, the so-called Liberal anti-inflation bill or the so-called wage and price control bill which, in the opinion of the New Democratic Party, is one of the most insidious pieces of legislation we have seen before this House in some time. It illustrates very well that Liberal members are without principle because it was only a few months ago that those same members, many of whom owe their election to that fact, argued very strongly against wage and price controls as put forward by the Conservative Party.

● (2020)

In the election last July the New Democratic Party opposed the wage and price freeze proposal of the Conservatives just as we now oppose the wage and price controls put forward by this Liberal government. This bill is unfair and unworkable; it is based on the wrong premise, and does not deserve the support of the people of Canada.

I should like to go into the reasons why we are opposing the bill. I would be interested to hear any Liberal member stand in his place and give the rationale why he opposed wage and price controls in 1974 and is now supporting his government in bringing them forward.

Since the Prime Minister (Mr. Trudeau) took office in 1968 we have had a series of bouts with inflation, and mismanagement of the economy. The position has worsened since he and his government were returned in successive elections.

Between September, 1972, and September, 1975, the consumer price index rose by 33 per cent. In 1974 alone the consumer price index increased by 12.4 per cent. The dollar today is worth only 72 cents compared to five years ago. In response to that kind of inflation and mismanagement of the economy we have before us a so-called wage and price control program. I say this program is based on the wrong premise as to what causes inflation. We hear a lot about the rate of inflation but not very much about the causes. I should like to look at some of the chief causes and then examine this program to see whether it will be effective in countering inflation.

One of the factors that most economists will admit contributes to inflation is the changing role of large corporations in our capitalist or so-called free enterprise economy. Today we see large corporations amassing more and more power to the point that they are becoming near monopolies or oligopolies, that is, a few large corporations driving out their competitors and cornering the market.

[Mr. Lambert (Bellechasse).]

Because they corner the market they are able to change the balance between supply and demand in their favour and are able to manipulate prices.

In the past competition or over-supply tended to reduce prices in favour of the consumer. But today what is the real difference in price between a Ford or General Motors car, or a Westinghouse refrigerator and a General Electric refrigerator? We begin to see that the large corporations are able to maintain prices to their advantage, and this happens with steel, automobiles, appliances, and to a large extent with the food retailing and manufacturing industries.

This is such a problem that even the Prime Minister and his free enterprise colleagues were forced to name a royal commission a few months ago to look into the problem of monopoly control of our economy. It is to be hoped that the royal commission will produce some constructive recommendations for controlling the monopoly power of big business. That is one cause—the ability of large corporations to manipulate and control prices, to maintain them artificially high in our economy.

The second cause of inflation is certainly government spending. We have had a number of record deficits under the Liberal government. We have seen millions of dollars, literally hundreds of millions, go to business in the form of tax incentives in the hope of creating jobs. What really happens is that the corporations automate and so do not create jobs. I am always intrigued by my friends in the Conservative Party who say "limit government spending" but who do not mention the amount of money that goes to big business without positive effects.

Then there is the expansion of money supply and credit. These are policies of this government which have contributed to inflation. It has got to the point where government spending results in 38 cents of every dollar of our gross national product being passed through government hands. A lot of this is legitimate and necessary, and I would not want to cut it back—I am thinking of old age pensions, family allowances and other schemes to help people on low incomes. At the same time we see government waste left and right, with hundreds of thousands of dollars spent on opening an airport at Mirabel, or on departmental functions such as Information Canada. There are tax concessions and handouts to corporations, and even deferred taxes amounting to some five billion dollars. Government spending is the second cause of inflation.

The third cause is the government's expansion of the money supply through our central bank, as well as an expansion of credit. This expansion has been in excess of the growth of production and, as a result, has contributed to the inflationary spiral.

One thing which the Liberals were offering as a cause for inflation in the 1974 election campaign was the cost of imported goods, but we do not hear so much about that today. In 1974 the claim was—and it is true today—that we cannot control the cost of food and other articles that have to be imported. The cost of bananas or coffee is beyond our control.

We have had to pay very high prices for energy. Because of the lack of a national energy policy the eastern part of Canada has had to import very expensive oil from the

Middle East and Venezuela. The price rose from $2.80 per barrel to $12 per barrel in a few years, and so contributed to inflation. So, Madam Speaker, there are four general causes of inflation.

We must make it clear, however, that one thing that is not a cause of inflation is wage demands. It is a popular thing for the Minister of Finance (Mr. Macdonald), the Prime Minister (Mr. Trudeau), and certain newspaper editorialists to point the finger at working people and say their wage demands have caused the terrible inflation we have today. Anyone who takes the time to do an economic and statistical analysis of inflation in Canada in the past three years must conclude that such is not the case, and that wage demands have not pushed up the rate of inflation. As I mentioned earlier, the consumer price index rose by 33 per cent during the past three years but, Madam Speaker, wages rose by 36 per cent, or by just one more per cent each year than the rate at which prices rose.

● (2030)

A few weeks ago the Governor of the Bank of Canada admitted that wage demands have not caused our present inflation. Clearly, most workers were locked in by two or three year contracts. They were forced to accept the rise in prices which took place during the last three years while their wages were fixed by contract. In other words, prices went up before wages went up. It has been the actual experience in Canada that wage demands have always followed increased price demands. That fact is indisputable. Even the Minister of Finance last week during the debate admitted that workers' wage demands had not caused the severe escalation in the cost of living which we have experienced during the past three years.

It may interest hon. members to know that government of Manitoba representatives yesterday, at the finance ministers' conference, used figures compiled by Statistics Canada to demonstrate that since January 75 per cent of today's rise in inflation has been caused by price increases in the fields of transportation, housing, and food.

I admit that unreasonable wage demands can contribute to inflation, and can lead to the inflationary spiral. We oppose, as do others, unjustified wage demands which are not related to parallel increases in productivity or profitability of the company concerned. That situation is the exception in our economy and, as I said previously, the Governor of the Bank of Canada agrees.

The Liberals fought the 1974 election campaign on the theme that they were against controls. But it is interesting to note that in 1972 and 1973, when prices rose dramatically and, hence, profits—average company profits rose by 40 per cent and some oil company profits by as much as 200 per cent—the government did not impose selective price controls to dampen that inflationary spiral. Now, after inflation has got out of hand, the government has been pushed into a corner and has responded by bringing forward the present wage and prices control program.

The Prime Minister has argued that the inflationary psychology of workers, a psychology which has resulted from this government's inaction, is causing workers to demand high wages to catch up. Others are demanding high wages in order to insulate themselves from the inflation which will occur during their next two or three year contracts.

One also hears Liberal cabinet ministers arguing that inflation is caused by too much money chasing too few goods, that we are living beyond our means and that we must begin tightening our belts or in other words, that we must reduce consumer spending. And what will be the effect on the economy of reduced consumer spending?

The government can reduce consumer spending either by increasing taxes of individuals or by controlling wages. Either way the result is less spending money in the hands of people. This means they cannot buy as much, and you will not see too much money chasing too few goods. But when you reduce consumer demand, when you reduce demand for the articles people buy, you affect output. The factories will not produce as much, workers will be laid off, and unemployment will increase. That, exactly, is where we fault the government. It has not thought through properly the implications of the proposed wage controls. They will certainly reduce consumer spending and increase unemployment. And, with 700,000 Canadians presently out of work, unemployment now is bad enough. What is the government thinking? How our people will manage their affairs as we slide further into the recession which the present policy will make worse, I do not know.

The fact is that our economy is not overheated. We are in recession, experiencing our highest levels of unemployment since the great depression. Our manufacturing companies are not, I repeat, are not operating at full capacity. They are not producing all the goods they are capable of producing. For these reasons we say that the government's anti-inflation program is based on false premises, and that its failure to introduce selective price controls during the past three years when prices were running out of control has resulted in our present day inflation.

The present incomes policy which, supposedly, is to control prices but which, as I will demonstrate effectively, will control wages, will force wage earners to pay for the government's lack of policy to control rising prices during the last few years. Actually the Trudeau government will try to fight inflation by controlling wages. The question is: will controls on the scale proposed by the Liberal government work?

I suppose some Liberal members are listening with cynicism. Therefore I will quote one of their favourites, the former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner). Only eight months ago he said:

> The experience of many other countries, most particularly the United States and the United Kingdom, suggests that broad and comprehensive wage and price controls not only tend to disrupt economic growth but over time do little to curb inflation and may, in fact, even aggravate it . . . It is an expanding economy that in time will enable us to grow out of inflation by providing the increase in real purchasing power Canadian families need to meet the increased cost of food and energy.

Clearly, eight months ago the former minister of finance argued that the sort of controls we are now contemplating will not, in the long run, control inflation, but aggravate it.

Some may say that the former minister of finance fell into disfavour, resigned his portfolio, and that therefore his views are suspect. For the sake of people holding those views let me quote the Prime Minister himself. On September 29 last he was interviewed by *Maclean's* magazine.

The interview dealt with wage and price controls, and their effectiveness. Answering a question, the Prime Minister replied that the essence of his position was:

> ... that controls themselves, whether it be a full freeze of control of prices and incomes, do not solve the underlying malaise of people generally trying to get more out of the economy than they put into it. If controls were a proper and effective device to change that psychology, I would say, well, it's easy, let's put on controls, then, one year down the road, we'll take them off and there will be no more inflation. But I think every experience that I know of, most recently the United States and the British experiences, are to the effect that when you take controls off you begin more or less where you were before.

● (2040)

So there the Prime Minister himself is saying that in the long run controls won't control inflation because once you remove them everybody feels they have the right to catch up.

We have a program we are told is going to last three years, and then the Prime Minister, on a great pilgrimage—crusade, I suppose he calls it—says maybe we will have the controls for only one year, that maybe we won't keep them on for three years. The man is contradicting himself left and right. I think it indicative of the way this policy was introduced, in haste, in confusion, with lack of proper planning and, as we are seeing now, with business, labour, and everyone else having so many questions which remain unanswered.

What is wrong, then with the Liberal wage and price control package? I have tried to demonstrate that, first of all, the guidelines are based on a false premise, that they do not meet the four causes of inflation which I have outlined, that the government is going at it in the wrong way. I think the second thing which is wrong with the wage and price control package is that it is unfair, and the third thing is that it is unworkable. Why do we say it is unfair? We can break it down into how it is supposed to control prices and wages. Take a look at prices first.

We find in the guidelines in the white paper and in the bill before us that there will be no direct investigation of price increases. Companies will not be expected to refer price increases to the Anti-Inflation Board. The board will rely on consumers or other interested groups or individuals to report to it what they think are unjustified price increases. In other words, the board is to rely solely upon the complaint system, and there are only 200 on the staff to handle the complaints which will be coming in. I think this is indicative of how dedicated the government is going to be in investigating unjustified price increases when it only has that many on staff.

We already know that telephone calls are coming in to the Anti-Inflation Board at the rate of some 500 calls a day. Even answering those calls will take months of delay at the rate things are going now. The government, then, is not going to hold the lid on prices by investigating every price increase or requiring companies to submit price increases. It is going to be selective. The government is only going to respond when the complaints come pouring in, if it can ever find its way to sort through all these complaints.

The most damning thing about how it is proposed to control prices is, supposedly, by controlling profits. In other words, the government will look at the profit picture of a given company and, if the profits seem excessive, then it may cause a roll-back in the prices. The problem with that, of course, is that you must wait for the end of the year for the financial report of a company to be available. So if there is a rip-off on a consumer item that rip-off will be allowed to continue throughout the whole year until the board has time to look at the annual report and then, a month or two months later after doing an analysis, makes a decision. Therefore the consumer does not have protection throughout the year.

Let us say, that, at the end of the year, plus time for investigation, it is found there has been injustice done by price increase. Suppose it is on a can of beans in a supermarket. How is the consumer ever to get a refund? Can you imagine that Loblaws or, say, Dominion, will have a store clerk standing beside the beans passing out a one cent refund if you bring in all your labels to prove you had purchased them at that store? It is absolutely ridiculous. In other words, the consumer will never get a refund. If an unjustifiable increase can be proved, any refund will come back to the government. Let us not delude ourselves that consumers are going to see an effective control on prices on a day to day basis. We also know that through accounting procedures, an accountant can manipulate profits shown in an annual report. This is done within the confines of our taxation law.

Fees to parent companies can be charged at a greater cost; transfer payments can be made; companies can put money away for future investment and label it as a cost rather than as a profit, in order to show at the end of the year that profit margins are very narrow. This can be done while at the same time increasing the cost of the various items on sale. One can never tell, just by looking at the profit margins, whether or not there was a justified or unjustified price increase.

We also find as we go through the legislation that the loopholes and exemptions which exist as far as price controls are concerned are numerous. First of all we have the provision that when costs go up prices will be allowed to go up. That, of course, is legitimate. But the point is: how will we know for sure that the actual cost of a product went up? Actual costs can be buried in all kinds of accounting procedures.

We also have the grand assurance of the Minister of Finance that if costs go down during the year prices will be expected to go down correspondingly. Well, I wonder if we can really place any confidence in that statement. Consumers will recall that only a year ago, when the price of sugar rose astronomically, one of the arguments the soft drink companies were using to justify the increase in the price of soft drinks was the increase in the price of sugar. They were even applying it to diet soft drinks which did not contain sugar. But we now know the price of sugar has fallen. Has the price for soft drinks come down accordingly? Not at all. I think that is indicative of the hope one should place in prices coming down should the cost of a product be reduced.

We also find in the legislation another loophole in connection with prices. Provisions are made that a compnay can exceed the profit guidelines in the legislation if it experiences unusual productivity gains. That is a phrase vague enough for any company to play with and manipulate, to show that its profit is not abnormal. There is no

effective way in which this legislation, by looking at profits, can control prices.

Another exception is interest rates, one of the chief contributors to inflation. Interest rates and mortgage rates will be allowed to rise. Land prices are exempt from any kind of price controls, and we all know that the price of land is such a major component of the cost of housing today. Windfall gains by companies are also exempt from control. If a company experiences a sudden windfall profit, as the oil companies do when the price of oil rises sharply and they have large quantities of oil in storage, that profit is also exempt.

Energy prices are exempt too. The price of oil will continue to rise. That is the government's admitted policy. The price of natural gas was increased a week or so ago. The price of Canadian oil, which now stands at $10.50 a barrel, will be allowed to reach $12 a barrel, and we shall be paying more for gasoline and home heating oil. Utilities are exempt. For example, Ontario Hydro will be allowed its increase of some 25 per cent although, fortunately, with a minority government at Queen's Park the situation is under review. Rent controls are a matter for the provinces. We shall have to wait and see what happens there.

● (2050)

We have also learned that the legislation is supposed to control the profits of 1,500 companies which come under the guidelines. I have since heard that the department has miscalculated, and only 1,000 companies will come under the guidelines in this legislation. What I am saying is that there are so many loopholes on the price controls side of the legislation that, in effect, there will be no real price controls. Prices will rise, hence the cost of living and inflation will continue to rise. On that side of the ledger we say that the price control mechanism is unfair and unworkable.

The other side of the ledger is wage control. The government is implementing a three year program. The maximum increase allowed in the first year is 10 per cent. We have heard some estimates that in the second and third year the maximum allowed increased will be 8 per cent and 6 per cent, though that has not been verified. In other words, the wage controls will hit organized labour, the ordinary working person, the hardest. It is easy to control wages because they are negotiated under a collective bargaining agreement. They are above board and can be seen.

Built into this 10 per cent limit is a very unfair mechanism. At the low end of the wage ladder, workers are limited to a maximum increase of $600. It is not their right to get $600; that is the maximum they can get. You may be lucky enough to negotiate such an increase with your employer if you are earning $6,000 a year. However, if you are an upper income Canadian earning $24,000 a year or above, you will not be limited to $600, as the poor, low income worker is; you can get $2,400. We say that this kind of spread is basically unfair, that it is the people at the low end of the income ladder who need the greater increase, not those who have been able to make a high wage in the past. We think it would be more logical to reverse the situation and give the low income people a maximum increase of $2,400 and the high income people a maximum of $600.

Although you can control wages, Madam Speaker, how are you going to be able to control income from sources such as rents, dividends, interest, capital gains, and professional fees in the form of extras? If an executive gets through his corporation or big business enterprise an extra expense account, stock options, club memberships, or a free trip to Florida, how will this be taken into account under the terms of this legislation? I suggest it will not. Big companies will be able to find other ways of giving their executives benefits in excess of the $2,400, but the ordinary worker will be limited to 10 per cent under the guidelines.

Professional fees are controlled under the program, but the income of professionals is not. The doctor, lawyer, accountant, and architect can increase their total income, in the case of doctors and lawyers simply by seeing more clients, and these people will not be touched by the legislation. That is unfair. Upper income Canadians are treated much more leniently than Canadians of low income. A prime example of this is the mandarins in the civil service, the deputy ministers, who received a $6,000 increase just moments before the Prime Minister announced the new wage and price controls. What I am saying is that those who are not professionals but must bargain with an employer for an increase will have their wages fixed and effectively controlled. This program has obviously been conceived in haste.

There are thousands of workers across the country who have been caught right in the middle of negotiations with their employer. Suddenly the Prime Minister has announced this 10 per cent wage freeze. The Minister of Finance says they should continue bargaining and submit their contracts to the Anti-Inflation Board for final review. But what employer in his right mind will continue to bargain for anything in excess of 10 per cent? No employer will bargain seriously or in good faith because he knows he has the weight of the controls program behind him. Therefore workers who could legitimately show, because of increased productivity or for reasons of catch up, that they deserve an increase of 20 or 30 per cent, are now confronted by employers who say, "No, we have a new ball game, we have to start over. We are not going beyond 10 per cent". The government has thrown a monkey wrench into the conduct of wage negotiations throughout the country.

Let me cite the case of the postal workers as an example. The letter carriers settled for an increase of 36 per cent, I believe it was. Unless they receive exemption the postal workers will be limited to 10 per cent. Fortunately the government has built into the legislation exemptions to permit parallel wage settlements where there are historical relationships.

Let me take another case in point. The majority of the teachers in the province of Ontario have not settled their wage contract. In my riding of Sault Ste. Marie the elementary teachers have settled, the secondary teachers have not. Hence there is a great sense of frustration and inequity among workers caught in this situation. I should like to put on the record a telegram that I have received from the president of district 30 of the OSSTF. It reads as follows:

> ... should be a chance for public input in committee before it becomes law. Ontario teachers have had five years of provincial education ceilings and deserve appropriate catch up settlements. The federal program must exhibit good faith and equity. No wage controls without effective price controls. Out of 34,000 teachers 14,000 have completed

negociations, 20,000 are then placed at a disadvantage. Teachers share a concern for inflation and will assist in the development of a program which would be fair and equitable to all in our society.

This is another illustration of how this legislation has been hastily and ill-conceived. Unless there are modifications to it and allowances made for historical relationships, it will not only promote bad feeling among different working groups, such as elementary and secondary school teachers, but will in fact promote injustice and unequal wage settlements.

Teachers in Ontario find their negotiating position has been further complicated by provincial legislation, Bill 100, which places certain time limits on negotiations. Many may be forced into a strike position without a concrete wage offer because this federal legislation conflicts with existing provincial legislation that the teachers accepted in good faith.

The members of the New Democratic Party are against this program. We have argued in the past, as we argue now, for selective price controls on key sectors of our economy, such as energy and certain manufacturing industries. We want tax cuts for people of low income in order to help stimulate employment and give them a break against inflation. We want to build more houses through a massive housing program which will provide adequate shelter for Canadians and get them back to work. In order to do that we must control mortgage rates.

In conclusion, we view this program as a failure even before it is implemented. It is a program that will not get at the root causes of inflation. The price control measures in it are ineffective. What will happen is that inflation will be fought on the backs of workers through effective wage controls. We say the program is unfair, unworkable, and does not deserve support.

● (2100)

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the House is asked to consider Bill C-73 entitled: An Act to provide for the restraint of profit margins, prices, dividends and compensation in Canada. On second reading of the bill and on the motion to refer it to the Standing Committee on Finance, Trade and Economic Affairs, I wish to take part in the debate due to the importance of this legislation and its serious unavoidable implications.

I have been sitting in this House for a few years and I also have some experience in the business world. Having heard the Prime Minister (Mr. Trudeau) speak on our national television network on Monday October 13 last, and after having examined Bill C-73, I must conclude that an experienced political observer soon realizes the instability of Canadian economic conditions and the serious course our country is taking by implementing such a policy.

Far away from me the intention of dramatizing the situation or of playing the alarmist by accusing everyone and making of them the scapegoats responsible for all the sins of the world and for all our problems. On the contrary, I want to make an objective criticism of the legislation while emphasizing the mistakes that may have been made. The recommendations that seem logical to me and the safeguards that I consider important, I will point out to the government.

[Mr. Symes.]

I would say at the outset that the government did not have any alternative. It had to do something. It could not let the economy follow any longer the course of events without risking irreparable injury.

Besides, I had already cautioned the former Minister of Finance about that and, I say it again, the present Minister of Finance. It is no longer possible for the government to sit back and wait for the problems to solve themselves one way or another.

Madam Speaker, the government has to realize several things and act accordingly. Even tough the proposed measures may be questionable—

I hope that at least the government is now determined to lead the way in the administration of the country and to take preventive measures, if it is still possible, instead of letting problems get out of control and finally, too late, bringing in solutions that lose some of their effectiveness because they are out of date by the time they are introduced.

In fact, it is mostly through its inaction that the government itself has produced this anticipation psychology making businesses proceed with maximum price hikes in anticipation of maximum wage raises and, on the other hand, workers demand the highest possible raises to protect themselves against price rises. It is the start of a vicious circle, that inevitably feeds the inflation spiral.

In other words, motivated by fear and the wish to take precautions, everybody is asking for more and more, while national productivity lags behind. Therefore, this simply could not last. And whether one is in favour or against the bill, one must at least recognize the merit of the government which is trying to do something to correct a situation which, admittedly, is not easy, and for which remedies are not quite so readily available as some may claim.

Mr. Speaker, history repeats itself. The 10 per cent inflation ceiling which is being applied as a means to control inflation is somewhat similar to what was applied in the United States 4 years ago, namely from December 1971 to January 1973. This is a sort of delayed escalation; in other words wages are allowed to increase at a rate inferior to that of inflation, even if they must be readjusted in case the rate of inflation increases too rapidly. A possible wage increase of 8 per cent, plus 2 per cent to keep up with productivity, is allowed, while the inflation rate is estimated at more than 11 per cent.

Even if circumstances have changed since then and if the economic situation is not what it was in 1971, it must be pointed out that after implementing a similar program for one year, the United States have succeeded in lowering their inflation rate by 2 per cent. If Canada could achieve comparable results within a year, which would reduce our inflation rate to 9 per cent, we could say that these measures have been successful in a first stage. What can be said against those measures is that they are negative in the sense that they do not cure the economy by stimulating it, but rather seek to make it hold longer. In other words, the patient is not cured, but an attempt is made to make his hospital bed more comfortable.

In that sense, what cannot be accepted is the fact that it does not solve the problem of the low-and average-income citizen. On the contrary: the gap between them and the

more fortunate grows wider. Once again the small fry will suffer most, and have to pay the bill without being able to do anything about it. That situation is truly demoralizing for those people. The government must absolutely find a way to come to their help if we want that important group of our society to weather through the present crisis.

Anyway, the Minister of State for Urban Affairs (Mr. Danson) pointed out that fact, with considerable logic, in the speech he just made in Montreal on October 20 before the Canadian Club of Montreal. I quote:

> The most intense demoralization is felt among the middle class, among this silent majority of wage earners who ensure the good operation of our institutions. They see their savings melt away, and the value of their stocks and bonds diminish. They are afraid of the collapse of currency which will reduce the value of their property.

I still quote the minister, Mr. Speaker.

> They are concerned about the recession, about unemployment and about their pensions. Inflation forces all of us to be concerned about ourselves.

● (2110)

> It gives rise to resentment. People realize that riches steadily flow from the weaker to the stronger without any consideration of merit, efforts or economic contribution. Inflation lets them see our economic system as unfair and leads them to consider our political system as sheer nonsense.

In fact, the government is establishing two different wage ceilings. One for the poor who may get a $600 increase for a yearly $6,000 income, below which the legislation will not apply, and another for the rich who can get a $2,400 increase for a yearly $24,000 salary. To me, this is sheer discrimination which will only widen the gap between lower and higher income people. We have heard all sorts of speeches in this House since the beginning of the week. We heard people say that the $600 wage increase for the have-not and the $2,400 increase for the richer will bring them closer together in the long run. I do not know where they get their figures from, but in my opinion those salary increases will only widen the gap between them. I think this legislation is merely discriminating. It is one step further away from the now famous just society which the government promised us a few years ago. It looks more like a well-organized injustice to the underprivileged.

It is even more true when you consider forecasts for the year to come, when prices will go on soaring appreciably, while income prospects are limited. The Food Prices Review Board for instance still predicts a 15 per cent jump in food prices during the year to come. If we put it in a concrete form, it means that the same order of groceries which amounted to $100 in 1971 now costs $141.20 and that its price might go up by 15 per cent in 1976-1977.

On the other hand, several problems have been left outstanding or have arisen following the announcements of the measures we are now dealing with. What will become of those who already earn less than the required minimum? Why was the matter of minimum wages not settled before those measures were implemented? How will the guidelines be enforced in the case of doctors, barristers, lawyers and other professionals to whom the guidelines seem difficult to apply? For instance, if a doctor earned $40,000 last year, will he close his office as soon as he reaches $42,400? What will become of those with two jobs or those who count on little extras to make both ends meet? Those are questions that we are asking and the minister will have to answer them in this House or before the committee.

We are very concerned about the efficiency of those measures because a few days after that legislation was announced, the consumer price index is expected to rise by 15 per cent. A 25 per cent increase for natural gas in Quebec and Ontario has been made public as well as a 20 per cent rise in Ontario Hydro rates. That is a first loss of control over prices and this situation could spread to other fields.

As for the price and income control board, it has two strikes against it already. First, the committee has no jurisdiction over importations which are an important part of our economy, be they Japanese television sets, Italian shoes, furniture from the United States, Korean shirts, European cars and what have you.

Second, the responsibility of the committee is already hampered because the importance of those measures will probably be minimized by the current changes. Moreover, 1976 is an election year in the United States, and if the United States government establishes a liberal fiscal policy, that could jeopardize any restrictive Canadian monetary policy and slow down the development of our economy. All this demonstrates that once again things are going too fast for this Liberal government.

Mr. Speaker, I am certainly not accusing them, but I am afraid that the measures contained in Bill C-73 have once again come a bit too late and do not strike at the roots of the problem. Everything started in 1967 when the government passed a law to allow banks to increase at will their interest rates. This was the start of inflation, the start of high interest rates, the start of interest on interest, of credit cards and unpayable debts for the nation and the individuals. This is the sad reality and it must be told.

And today, the action taken by the government is negative and very marginal since it does nothing to stimulate and balance the national economy. Yet, there are several effective things that the government could have done by gaining inspiration from us and listening seriously to the Social Credit proposals, and this in spite of what the young member for Drummond (Mr. Pinard) may think. I listened to him recently in the House when he said that the Social Crediters were misunderstood. In passing, Mr. Speaker, what are the Social Creditors doing here if they are misunderstood by the people? I believe that I am well understood in the constituency of Richmond because I am always reelected. I am grateful for this.

Mr. Boulanger: Where are the other Social Crediters? There are none left!

Mr. Beaudoin: I must congratulate this new member for having had at least the courage to stand up in the House, but when he has more experience, when he knows better the practices of the House, when he has more experience of life and the business world, he will become wiser and will understand that when you make important decisions, it is always a good idea to obtain advice from everywhere, and particularly to take this advice in consideration. It is quite normal for a new member to wish to place himself in prominence in all sorts of ways, and we must understand him.

To come back to my subject, Mr. Speaker, the government should have provided immediately concrete action including first of all lower interest rates. And, on this matter, I agree with the senior economist of the CNTU who said, and I quote:

A 'major gap' in the program is that it skips right over interest rates and capital gains, two factors that indeed contribute more than their share to the inflationary spiral.

A large part of the problem is at that level, and the government wrongly played deaf when we told them over and over again for a long time to put an end to mushrooming interest rates.

Steps could have been taken in another area to stimulate the economy, and that is residential construction which provides work for hundreds of thousands of workers and countless supply plants. I do hope the Minister of State for Urban Affairs (Mr. Danson) will announce soon that he is extending his Assisted Home Ownership Program which offers $500 to first home buyers but I rather fear that he will put an end to all that on October 31. Yet, we should be thinking in terms of a fresh start and not forget that as construction goes so goes the economy. Besides there should be an immediate reduction in the abominable mortgage rate now in effect on new houses. It does not make sense to pay 12 per cent interest to buy a house, specially after the government starts controlling the wages of new owners.

In 1970, Mr. Speaker, an average single family house cost $13.42 a square foot in Montreal; in 1972, it cost $14.83 a square foot; in 1974, it cost $22.08; and in 1975 it is estimated that the cost will jump to $27.00.

Not only must the $500 federal grant not be eliminated but it should be increased and, in addition, mortgage rates should be brought down. In that respect it is worth pointing out that on September 10 the executive council of the Canadian Labour Congress urged the federal government to bring down to its old level the interest rate recently increased by the Bank of Canada, and subsidize low income people by reducing their mortgage rate to 6 per cent on the purchase of a house. I consider that proposal to be positive and logical.

On the other hand, the federal government should hold immediate discussions with retailers to establish a system of 15 or 20 per cent compensated discount financed through the Bank of Canada. This would give immediate results for the benefit of all, without any discrimination for once. Low-wage earners would benefit as much as the rich.

I am pleased at least, Mr. Speaker, that no one blamed the farmers for inflation in this debate. If this should happen, I would raise a question of privilege to set the record straight, because they are more victimized by inflation than anything else. I would like to quote a brief article that appeared in *La Terre de Chez nous* of 15 October last and has much to say about inflation. I quote:

What is the cause of inflation? The Faculty of Science of Wisconsin University computed the following figures:

Here I would remark these are U.S. figures, but financial trends in Canada have been largely similar during the last 30 years.

—between 1944 and 1974, from October to October, salaries went up from 1250 to 3600 per cent, sugar increased by 512 per cent, coffee by 337 per cent, bread by 300 per cent, steak by 296 per cent, lettuce by 258 per cent, postage stamps by 233 per cent, milk by 169 per cent, butter by 90 per cent and eggs by 31 per cent. The performance in Quebec certainly did not show that much difference. But remarkably, the items produced here such as milk, butter and eggs showed the smallest increases. The price of eggs even increased 100 times less than the salaries with which they are bought. Butter 40 times less.

[Mr. Beaudoin.]

I believe those figures are eloquent and speak by themselves.

In short, Mr. Speaker, we must admit it: we are experiencing, according to some analysts, apprehended hyper-inflationary conditions and we can expect major changes in our economic policy. The government has just created a review board, but the actual board should have been the government itself. It should have acted before today to prevent problems.

I hope that the economic advisors of the government did not attend the same school as New York City economists because in that case we can expect any thing! Anyway, Mr. Speaker, there is one thing I must emphasize: If we recall how federal taxes were temporarily introduced in wartime and have lasted all this time, we must say that for the government, there is nothing more permanent than temporary measures! And it may be the case with the legislation now before the House.

● (2120)

[*English*]

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I suppose at this late stage in the debate we can begin to speculate about the government program, what inspired it, and what it was about the state of the economy that required these draconian measures, draconian certainly in the wage sector.

I scratched my head and told myself, first of all, it could not have been genuinely the problem of inflation because history has told us that these kinds of controls in every modern western industrial society do not work. I then asked myself, why then would this government be so interested in controlling the wage sector? Then I thought of the Mackenzie Valley pipeline. If we in this country go ahead with that pipeline we will have to raise tremendous amounts of private capital, and one of the major ways to increase the amount of private capital available is to freeze the wage sector, but to leave alone the question of prices and, in effect, profits. Although the bill apparently attempts to deal with them, in effect you will see profits rise. The result will be, if the scenario is played out, that the Mackenzie Valley pipeline will be able to proceed partly as a result of this bill.

Mr. Gilbert: Ask them what will happen to the Indians.

Mr. Leggatt: I am saying this, as a bit of warning to the public, that before the next federal election I fully expect an announcement that the Mackenzie Valley pipeline will proceed and that it may very well attempt to proceed largely on Canadian capital which will be raised initially as a result of the wage freeze which will allow the private sector to expand ahead of the wage sector, thereby leaving additional amounts of capital available for the project. If I were Machiavellian I might have thought that that was behind it, but one wonders whether, as this government

proceeds, it has in fact just stumbled into the Mackenzie Valley money. I do not know.

I notice with some cynicism that we on this side of the House should welcome this legislation with open arms because if ever an albatross has been hung around the neck of the government, it is this bill. This bird will shake around that neck, and ministers can move up and down, but no government in the western industrialized world has survived this kind of legislation, nor can this government survive it in the next election. I do not think it can, for the simple reason that it has opened Pandora's box. The government cannot put it all back together again now.

This reminds me of the story of the sorcerer's apprentice who finally discovered from the sorcerer the magic words. Once he said the magic words, a broom came to life and carried water in a bucket. This was amazing because when the apprentice did not have to work any more, he solved the problem of supplying water with the magic broom. But he forgot to learn the word that shut it off. What the government has done is to find the magic word on inflation—that is "controls"—but how will it shut the controls down in this allegedly free market? The government has opened Pandora's box but it will not be able to close that box.

I have no doubt that at the moment this program is superficially popular. I think there are people in the country who have not examined the program carefully and who are saying, "Thank God something is being done about inflation". Those of us who have looked at it can examine the bill and see that nothing is being done about inflation. If there is any effect at all, it will be extremely marginal if anything.

Some 75 per cent of our inflation is in three areas—rents, food, and energy. Controlling wages in these three sectors will not contribute whatsoever to the savings. First, in the energy area the wage factor is almost insignificant. In the rent area it is the cost of land that is driving rents high—the cost of labour is immaterial. A study was done recently regarding the cost of housing. A house in one end of the country and a similar house in the other end, belonging to people in the same wage bracket, were taken as an example, the first one in British Columbia and the second in Quebec. A house selling for $36,000 in Quebec sells for $55,000 in B.C. for one reason only, the value or the cost of the land. So the government has not tackled inflation in the rental area; it has not tackled inflation in the food area, and it has not tackled it in the energy area. By saying, as it does now, that it is the people who work in those fields who are contributing to major inflation it continues to duck the problem.

What we are going to have is a program which will in fact reduce our real national income and reinforce the misallocation of resources already distorted by a system founded on competition and greed. Controls will continue to contribute to massive unemployment and a massive recession.

I have a feeling that perhaps the government may have known what it is doing. We have speculated about the Mackenzie Valley pipeline. Perhaps out of a feeling of frustration it said, "We have to do something to reverse the frustration and rancour building up in working Canadians as a result of many governments' ineptitude in dealing with serious difficulties in the economy." If this is the result of that famous contingency plan, if this is the result of hard research, I really wonder what we can expect from the program.

It was stated in the white paper that there would be 1,500 firms with at least 500 or more employees which would come within the ambit of the guidelines. In fact there are around 1,000 which come within the guidelines. There was a 30 per cent error in the research in the white paper when they named the major companies that would come under the controls. If that is an indication of the kind of research on which the government relies, it is a good indication of the effectiveness of the bill and of the way in which the government will carry out the program. There was a 30 per cent error in trying to identify the number of companies. It is quite ridiculous.

I think that the Conservative party can be forgiven for not having completed its homework when it rushed into the last election with an incomes policy. The Conservative party felt it was necessary, but being in opposition it lacked the human resources to articulate anything more than the bare outlines of the program. It covered itself, to its credit, by proposing an across the board freeze for a short duration which would be time enough for its members to get their hands on the expertise they had been led to believe would be found among the ministers and their deputies. They argued that a freeze would be brutal but rough justice. As their leader has since pointed out, it would pave the way for a more comprehensive program subsequently.

● (2130)

The government had no such excuse. Shortly after the last election it announced it already had a contingency plan, and it was poised to act at the right time. So the anti-inflation bill we are looking at is that plan, and I suppose that according to the wisdom of the government this is the right time, but some of us in this party are agonizing about whether the bill should be amended, improved, tinkered with, or whether we should try to plug holes here and there.

It is my view that the bill is not amendable because it deals with the fundamental principle of wage control without price control. No matter how much rhetoric we hear from the Minister of Labour (Mr. Munro), it clearly places the blame for inflation on the working sector of the economy.

I wish to point out some of the clear inequities and some of the mechanics of the bill which would simply render it useless in terms of the price sector. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) was in the House a few moments ago, but I see that he has gone. I believe it was in 1973 that his predecessor, the hon. member for Windsor West (Mr. Gray), introduced an anti excess profits bill which this party looked at with a rather jaundiced eye. Frankly, I did not think it was a bad piece of legislation, and I still do not. I think it may have been one of the more original approaches to excessive profits we have seen in this country, and I commend the former minister for bringing forward what I thought was a fairly interesting approach of selecting companies, examining them, and dealing with profits.

However, within that bill there was a provision which this bill does not contain. That bill contained a mandatory reporting provision for companies which allowed the board to determine whether they were taking more than their share in terms of profits. To the credit of the minister that bill provided that price increases should be telegraphed in. This provision was contained in clause 51(1),—the bill, by the way, was dated April 29, 1974—and it required that any company seeking a price increase must first notify the board. The board then had the opportunity to inquire into the proposed increase. If the board did nothing, the increase came into force; if the board on examination found that the company was taking too much, was raising its price too high or its profits were excessive, then the board would exercise control. There is no such provision in the present legislation. In my view it is completely essential for any meaningful price control legislation that the board have advance notice of the price increases.

Ex post facto regulations simply will not work. What do we do if a woman buys a loaf of bread, and seven or eight months later the board determines that Weston's, or whoever it was, had allowed that price to rise to an inordinate degree? First, we do not know who the woman is who bought the bread. The fact that there is a possibility of a fine—and I will deal with that because the likelihood of a fine is very slim—will not help her very much, her standard of living or her ability to support her family.

Without the necessity of telegraphing price increases in, we do not begin to tackle the question of price control. The idea that somehow this board will be able to monitor prices across the country simply will not bear reasonable examination. In the kind of complicated market system we have it is completely impossible for that to be effective. However, if it were turned around and all prices, before being allowed to increase, had to be telegraphed in, at least there would be the beginning of some sort of price control mechanism. The fact is that that floodgate cannot be opened just a little bit. We cannot say we will deal with these little sections of the economy after prices have gone up.

What will happen is that by next spring the government will be hanging its head because of the inequities which will naturally develop throughout the system.

We in this party have been receiving a lot of mail for a change.

Mr. Darling: In other words, you are the friends of the union. We haven't.

Some hon. Members: Oh, oh!

Mr. Gilbert: It is coming by courier service.

Mr. Leggatt: The last piece of mail I received before the shutdown dealt with this matter, and I think it dealt with it in a rather poignant way. It said the following:

We all listened very carefully to the Prime Minister's speech, as well as to Mr. Barett.

This letter obviously came from British Columbia.

We think it is a good move and would like to give our views.

Would it not be more fair to scale the wage demands, like: people making up to $10,000 may ask for 15% increase, from $10,000 to $20,000 may ask for 10%, from $20,000 to $30,000 may ask for 5% and all over $30,000 should set a good example and not ask for any increase?

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Leggatt: The letter goes on:

If the average Canadian realizes that their leaders, business bosses, etc. tighten their belts, you can be sure they will follow.

The country and the Canadian people are beautiful, that's why we decided to become part of it. We would not like to see it destroyed.

The members of this family put their finger on the basic problem behind any kind of control system. There has to be equity and fairness; there cannot be a control system where the rich get ahead on the backs of the poor. If we examine this system we find that the poor will become poorer and the rich will become richer. The rich will fight inflation on the backs of the poor. That is no system by which to develop a consensus. We cannot expect to pull society together, to make people feel as one, as Canadians fighting inflation, when they look around and see a $36,000 carpet in the parliamentary restaurant and subsidized parliamentary meals.

There is nothing in the bill which touches one of the real problems of inflation, which is the credit card philosophy in this country. When we go into a good restaurant we find that a large percentage of those who are eating there are eating on expense accounts. The manager of the restaurant knows his patrons are passing the charge on to their employers, and so the price of his product goes up and there is no resistance to it. The man down the block who runs another restaurant may not have as many expense account customers, but when he sees steaks selling for $10 he figures he can get $7, and then the next man further down who might be selling for $5 raises his to $7. That is not price push, it is price leadership, and it goes all through society. This bill does not tackle that problem.

● (2140)

There is 18 per cent interest charged on credit card accounts, and people have the idea that they can buy anything they want any time. This is one of the major features of inflation, and one of the major reasons for the permissiveness and softness being developed on the Canadian scene.

Someone quoted the Prime Minister (Mr. Trudeau) earlier as saying that the underlying malaise is people trying to get more out of the economy than they are putting in it. I am convinced that is part of our problem. It is a deep problem, a philosophic problem. We are becoming a soft, permissive society, but people are not strengthened by being told to reduce their level of consumption, to pull in their belt exactly one inch. That way the fat man is still in great shape but the man with no room left on his belt collapses from hunger.

We are not being equalitarian in the way we are producing this bill. We are rewarding the rich and penalizing the poor, so there is no reason for the poor to get behind the legislation. If the maximum were made $1,000 across the board that might tackle some of the problem. If the salary rate increase for members of parliament were limited to $1,000, and also to $1,000 for everybody else, that might start to deal with the problem, but we should not expect

the Canadian people to develop a consensus of something that is so inherently unfair.

I want to say a few words now about the bill itself because I have had some experience in the law, and this bill is a lawyer's dream. It is a beautiful exercise in the granting of discretionary power. Basically it provides for a board to be set up and allows it to do almost anything it wants—not by legislation but by order in council.

Mr. Knowles (Winnipeg North Centre): Or not to do the thing it does not want to do.

Mr. Leggatt: So in spite of the fact that we are all talking about certain guidelines referred to in the white paper, there is nothing to stop the board, within a week or two, or three weeks, from changing those guidelines entirely and bringing in a whole new program. It could be a program which would not be subject to scrutiny by this House, or which would do absolutely nothing in terms of allowing members of parliament to exercise judgment on whether the guidelines were fair or not.

It is the kind of sweeping power that I thought we had departed from following World War II when most of those involved in law welcomed the return to sanity in legislation. It was almost impossible for people who practised law during the war to find out what the law was. All sorts of people could be pushed around and their rights taken away. This bill will be the beginning of a return to that kind of arbitrary democracy, something that those who are concerned with individual freedom and rights have every reason to challenge.

In clause 44(1) the bill provides penalties, and the press has made a great deal of the fact that people can get up to five years in jail for an indictable offence. Let me read the relevant parts:

> 44. (1) Any person who,
>
> (c) wilfully, in any manner, evades or attempts to evade compliance with any provision of this act or an order made by the administrator—

Wilfully is a very interesting word. It means that if you are going to put Mr. Weston in jail you have to prove that Mr. Weston wilfully broke the guidelines. Anybody who has done defence work will tell you that in a matter as complicated as setting prices and trying to relate them to unit costs it is almost impossible to establish *mens rea*. In fact the defences are so voluminous we could spend the rest of the night on them. The first question is: did he know what the cost of the product was? I doubt it. I doubt he knew all the elements in the cost of any particular item. You could make it a capital offence under this, but it would not make any difference. Five years is meaningless, yet we see newspaper reports to the effect that this bill is tough. It is not tough, it is just unenforceable.

I want to talk for a moment now about professional fees because I have had some experience with them as well. I do not make any apologies for lawyers who charge high fees because they work very hard for them. Anybody who suggests that controlling the minimum schedule of fees which lawyers charge will control their incomes does not know anything about the practice of law. If I were in active law practice this bill would not bother me, and it will not bother anybody else in that profession regarding the amount of income they can earn.

Mrs. Sauvé: What if he works doubly hard in that year? Answer that.

Mr. Leggatt: The lawyer has total control over his charges. His hourly rate can be based on the value of the work. Most real estate conveyancing in this country is based on a percentage of the value of the real estate. As the inflationary factor in the country affects the rising costs of houses and land, the lawyers just make more and more money. Their incomes are not going to be affected by this bill. They are getting off scot-free, but the poor are controlled. There is no way to control professional incomes successfully. Lawyers can even get around taxing off.

Mrs. Sauvé: I know how that can happen. You don't have to tell me.

Mr. Leggatt: I thought you would not mind hearing. It is quite simple. If you try to tax off a lawyer's excess income he incorporates a private company and funnels the income into that company. Clearly the sort of company I am talking about does not come within the guidelines, because it is small and because there are no employees. The result is that lawyers will not be controlled at all by this legislation.

● (2150)

An hon. Member: Tell us about the doctors.

Mr. Leggatt: The guys who work in the mill are controlled. I do not want to be too hard on my profession.

Mrs. Sauvé: We know all about lawyers. Deal with somebody else.

Mr. Gilbert: Yes, let's deal with the doctors.

Mr. Leggatt: How are doctors to be controlled under this bill? Doctors will face difficulties. If the bill attempts to control medical fees, but not medical income—and I suggest that this bill will not control income—doctors will pack twice the number of people into twice the number of waiting rooms and cut in half the time spent on each patient. That will be the result if we do not control doctors' incomes. As things now stand, you will affect only the quality of medical service provided to patients.

Mr. Peters: You will lower standards, and that's terrible.

Mr. Leggatt: It is interesting to compare figures. We talk about the inflationary effect of the horrible demands of the postal workers, who allegedly want 71 per cent over three years.

An hon. Member: What do you mean, allegedly?

Mr. Leggatt: All right. They want 71 per cent. But I tell you, the majority award provides for about 14 per cent a year over three years, a percentage which is only slightly larger than last year's inflation percentage. Clearly, suggestions that postal workers are to get fantastic increases are ridiculous. I think the offer is modest. Actually I think the postal workers will accept it, because they happen to be public spirited people like the rest of us here.

An hon. Member: That's why they are on strike.

Mr. Peters: Mackasey's the reason.

Mr. Leggatt: The Postmaster General (Mr. Mackasey) is the reason for the strike. If the Postmaster General did not insist on seeing his picture in the papers three times a week, and on being on three television shows a week, there would not be a strike. But he wants public bargaining in the public service. I am amazed that the strike has only now begun. I thought the strike would take place at any time during the past year, and every time the postman came to my door I was surprised. Every time I read the newspaper I was told that the strike was imminent. When I saw the postmen I said to them, "Are you not on strike?" They said "No, we want to continue delivering mail." Judging from what you read in the papers, a Post Office strike has been in progress for the past two years. But that is not so. The mails have been delivered.

An hon. Member: You couldn't tell that by the deliveries we have been getting.

Mr. Leggatt: My mail delivery has been good.

An hon. Member: No drinking in the House.

Mr. Leggatt: I assure hon. members that this is the purest water you can get from the tap.

Mr. Knowles (Winnipeg North Centre): His name isn't John A. Macdonald, you know.

Mr. Leggatt: Although the postal workers asked for 71 per cent over three years, the award is for 14 per cent a year, which is not particularly generous.

There is something we forget about postmen, something people do not often mention. My dad worked in the Post Office for 36 years. He was proud of his job. He knew all the routes in the community. His work as a postman was challenging, and he worked hard in the postal service. Now, because of the increasing introduction of technology, there is every reason for people in the Post Office to be concerned. Increasingly, Post Office jobs are becoming more boring. The workers are being told to push buttons. Their jobs are becoming more mundane, more boring, and they are mad about it. How would hon. members feel if they were no longer asked to make decisions or exercise judgment, but had to sit here and do nothing?

An hon. Member: That's nothing different.

Mr. Leggatt: It seems to me that the problems of inflation and problems in the Post Office are related. This is not a one-way street. The people in the Post Office are entitled to some dignity. They are entitled to negotiate changes in their working conditions, changes which are negotiated in most industrial sectors. I do not support everything that has happened in the Post Office. I do not think the Montreal situation is good, just as the Post Office does not think it is good. But I do not think it is right to precipitate a strike in the postal service to solve it. Let labour solve its problems itself. The labour movement will do it. The government is not going to do it. You will merely turn these people into martyrs. The labour movement is getting behind them, and I do not think we are adopting the right approach. As I say, there are problems in the Post Office; there are particular difficulties in Montreal, but I submit the government is going about their solution in a wrong-headed way.

Let me return to my theme. I was diverted. I want to deal briefly with an interesting article Walter Gordon wrote in the Toronto *Star* of October 13, dealing with wage and price controls. In that article he took the trouble to examine oil company profits during the past four years. Apparently between 1970 and 1974 the profits of Imperial Oil increased by 176 per cent. Poor old Gulf made only a 313 per cent increase in the same period, and Shell Canada increased its profits by 178 per cent. Compare that with the 71 per cent the postmen are seeking. May I call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—SUGGESTION SALARY INCREASES FOR EXECUTIVE CATEGORY APPROVED AT SAME CABINET MEETING AS CONTROL PROGRAM APPROVED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, this evening I wish to pursue the question I raised this afternoon with the Prime Minister (Mr. Trudeau) about the timing of the formal and final approval of salary increases for senior civil servants. May I go over the sequence of events?

This afternoon the Prime Minister suggested that the Lambert report was presented to cabinet on March 31 and accepted by the cabinet on July 24. That general approval and acceptance by the cabinet led to the reference of the proposed salary ranges to the cabinet committee. The cabinet committee studied these salary ranges and slotted individuals into those various ranges between that time in question and two weeks ago.

When the Prime Minister responded to my question in the House he said that the final approval given to increases for deputy ministers did not coincide with the cabinet meeting which approved the guidelines affecting all Canadians in this country. The Prime Minister had said that he thought that probably in August not a great deal of work was done, and that the whole matter was carried out between August and two weeks ago. He was referring to the slotting of various individuals into the various salary ranges agreed on and approved by cabinet in its July meeting. Therefore, until two weeks ago the cabinet committee was apparently slotting people into those various salary ranges.

● (2200)

Two weeks ago it was October 9 or thereabouts, and if I take the Prime Minister literally, on that date and thereafter Treasury Board minutes were signed formally ratify-

ing salary increases of deputy ministers. It seems to me that on October 9 the cabinet had already reached a decision to impose wage and price controls on Canadians. At the same time they were giving final and formal approval to the huge increases deputy ministers were about to receive. Some of these increases in the top range are as high as $6,500.

The Prime Minister argued today that the average increase is only 9.3 per cent. But I ask: on what incomes, to begin with? They are incomes ranging from $27,000 to $60,000. As I said, some civil servants have been granted increases of $6,000 or $6,500. This is an increase which is well in excess of the $2,400 limitation imposed on all other Canadians. I do not think this is right. I do not think it is morally right or fair.

I charge that the Prime Minister today was evading answering the question I put to him. I have a source very close to the Prime Minister that tipped me off this morning saying in essence that when the cabinet met for one of the last times before the Prime Minister addressed the nation on October 13, it approved the guidelines he announced, and then turned to some household or routine business, which was the formal ratification of the increases for the deputy ministers. I put that question to the Prime Minister and he said no, it did not occur at the last cabinet meeting. But I suspect, from what I have picked up since, that those increases were, in fact, formally ratified by a cabinet committee, by Treasury Board, and perhaps it took place as the cabinet agreed to apply controls to all other Canadians.

I then asked the Prime Minister whether he would table those Orders in Council, and he replied that the House would eventually see them. I found out later from a reliable source that the authorization had probably taken the form of Treasury Board minutes and that the President of the Treasury Board (Mr. Chrétien) is not going to make public either the date or the contents of those minutes. I ask why he doesn't do that and I suspect, from what we have been hearing, and from what someone in the Prime Minister's Office said just today, that they were all ratified in the last two weeks. I can understand the Prime Minister saying, "Well, the authorization was given in July, we farmed it out to a cabinet committee, we didn't really expect controls would be coming into effect." But the Prime Minister left himself open on that point.

He said in the House today that back in July "we were in a sense anticipating the guidelines" and as a result they kept the average increase down to 9.3 per cent. For God's sake, Mr. Speaker, if they were anticipating the guidelines at that time, why in the devil did some of the increases go over $6,000? Why did they not anticipate the ceiling of $2,400 at that time?

So they farmed it out to a committee, and the committee's job is to slot various civil servants into various salary ranges; there was a summer recess so all the work was done in September and was completed two weeks ago on October 9. By that time the cabinet knew the guidelines. It had ratified the guidelines affecting other Canadians and it could very well have instructed that deputy ministers should obey the rules set for everyone else. Yet here is a government which has imposed guidelines on janitors, clerks, waitresses and lower echelon workers and which at the same time is having Treasury Board minutes signed putting into effect some of the salary increases to be enjoyed by deputy ministers.

In the House today the Prime Minister admitted that the slotting was not finished until October 9, two weeks ago. Obviously the Treasury Board minutes were not signed making it formal. We have sources in the PMO which have said this is the case. I do not want any evasive answers from the parliamentary secretary tonight. I want him to respond to my questions. Will they make public those Treasury Board minutes—

Mr. Deputy Speaker: Order.

Mr. Nystrom: If they do that there will be more co-operation from the public—

Mr. Deputy Speaker: Order.

Mr. Nystrom: —and the control program that the government is imposing—

Mr. Deputy Speaker: Order, please. The time allotted to the hon. member has expired.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member in raising this point has very carefully chronicled the sequence of events. The advisory committee on executive compensation looked at the performance of the people concerned in the period between April, 1974, and April, 1975. Recommendations were made to the cabinet early this year. These recommendations were approved on July 24 by the cabinet. The process of implementing the decision which was approved at that time by the cabinet is, as was indicated by the Prime Minister (Mr. Trudeau), a somewhat cumbersome and time consuming procedure. It involves a review of individual performance, slotting of individuals within the various ranges indicated, and this procedure was completed prior to the adoption of the guidelines by the cabinet.

Mr. Nystrom: The P.M. said two weeks. Check his words.

Mr. Francis: The government's policy in the circumstances is to follow the usual procedures regarding tabling of documents, procedures that have prevailed in every other instance, as indicated by the Prime Minister. I can only repeat that this is the sequence of events and that the documents that were produced by cabinet were prior to the adoption of the guidelines and they implemented a decision of July 24.

EXTERNAL AFFAIRS—SALE OF NUCLEAR REACTOR TO SOUTH KOREA—REQUEST FOR DEBATE PRIOR TO SIGNING OF AGREEMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, last December the Government of Canada authorized Atomic Energy of Canada Limited to negotiate the sale of a CANDU reactor to South Korea. We were told that safeguard arrangements would ensure that Canadian supplied nuclear material would not be used to produce nuclear explosive devices. But we were not told what these safeguards were. We will only learn these, perhaps,

when the agreement with South Korea is tabled in the House after the fact.

The government is bent on a course of madness. A cloak of morality has been thrown over this madness. That cloak must be ripped away and the nuclear sale to South Korea exposed and stopped before it is too late.

Thanks to the Prime Minister's (Mr. Trudeau) unappealing speech to the Canadian Nuclear Association it has suddenly become moral, even obligatory, to share nuclear technology with the developing world. Of course the Prime Minister has worked to achieve a foolproof inspection system to guarantee against nuclear bomb proliferation. The point is that we do not yet have an internationally recognized foolproof system. We have to rely on the good faith of recipient countries that they will not abuse technology. Already South Korea has expressed reticence about Canada's tougher countrols, doubtless slowing down the agreement. Even if South Korea accepts Canada's term there is no guarantee that future governments in that military dictatorship will not abrogate or evade them.

The point I wish to emphasize is that it is folly verging on the criminal to assume that Canada will be able to impose the additional bilateral safeguards it desires. General E.L.M. Burns, respected head of Canadian disarmament teams for many years, warns us against nuclear sales to governments that are autocratic and not stable. If the military in South Korea think they should have nuclear weapons, he says, "no inspection agreement is going to stop it".

In effect, General Burns feels that the government's duty is to do nothing which may lead to the proliferation of nuclear weapons and that this obligation, which is explicit in Article III of the non-proliferation treaty, takes precedence over Canada's desire to assist, through nuclear technology, the underdeveloped nations of the world.

It is true that the CANDU reactor itself is safe in that it cannot be turned into a bomb. But the spent fuel from the Canadian reactor, when reprocessed in the proper way, can produce a bomb. The French have been exporting this very process, and South Korea has recently purchased a $50 million reprocessing plant from France. Moreover, President Park of South Korea has stated that his country will be obliged to develop nuclear weapons if U.S. assurances of nuclear protection against North Korea are ever withdrawn.

● (2210)

How much more evidence do we need to realize that any agreement with South Korea will not be worth the paper it is written on? At the very least, as the Leader of the Opposition (Mr. Stanfield) said some months ago in the House, there should be a moratorium on reactor sales, pending agreement on foolproof safeguards by the six nuclear exporting nations.

Instead of making a quick buck from South Korea under the guise of morality, Canada ought to be leading the way in strengthening and expanding international co-operation in finding safeguard agreements. This work is imperative since by the end of this year there will be 650 nuclear reactors operating in 38 countries. It is precisely because of our superiority in nuclear technology that we must put statesmanship ahead of salesmanship.

[Mr. Roche.]

Finally, I plead with the Canadian government to stop and look at what kind of government we are dealing with in South Korea. It is one of the more repressive regimes on earth today. The Park regime is accused by international observers of economic injustice, corruption, and increasing violation of human rights.

An Amnesty International mission to South Korea said this:

> The mission found torture is frequently used by law enforcement agencies both in an attempt to extract false confessions and as a means of intimidation.

There are also reports of cruel and arbitrary punishment in military life.

Other secular human rights groups have criticized the regime, including the International Commission of Jurists and the International League for the Rights of Man. The World Conference of Religion for Peace has publicly expressed its deep concern about the political repression in South Korea, especially for those who, out of their religious conscience, have expressed their stand against the violation of human rights by the Park government, and who are now in jail. This is the administration the Canadian government says it will trust. What a distortion of morality we are sliding into; what madness!

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in my answer on behalf of the Secretary of State for External Affairs (Mr. MacEachen) to the hon. member for Edmonton-Strathcona (Mr. Roche), I would first of all enlighten his personal judgment concerning the government of the Republic of Korea. His judgment may obviously not be shared by other Canadians whose values are not the same as those of the hon. member. I must ask who are we to pass judgment on political systems under which other people choose to live. That has not been the major line of thought in our commercial dealings with other countries, particularly as regards the sale of nuclear reactors.

[*English*]

We have attached great importance to that sort of dealing with another country, and no Canadian can question the seriousness of our approach to any international binding agreement.

The Republic of Korea has never abrogated any international agreement it has concluded. We know also that the Republic of Korea is a party to the Nuclear Non-proliferation Treaty whereby it has undertaken an international treaty commitment to the international community not to develop any nuclear explosive devices, and under the same treaty it has placed its entire nuclear program under the International Atomic Energy Agency.

May I just conclude by saying it is well known to my colleague opposite that it is not the international practice to table treaties before they are signed. They are made public after the text has been cosigned by the governments concerned. I should like to make very clear that the Government of Canada is, with the rest of the international community, trying to find better ways to ensure that nuclear devices are used for a pacific purpose only.

PUBLIC SERVICE—SUGGESTED DENIAL OF RIGHT TO STRIKE

Mr. Jake Epp (Provencher): Mr. Speaker, in the seven minutes given to me tonight I want to lay before the government again my view on the right to strike in essential services. I think it is very appropriate that this question be placed before the government at this time when we are again in the midst of a national strike by a union which provides an essential service to the people of Canada.

In 1967 when the right to strike was given unions in the public service the principle argument used was that this was a civil right which was given to other groups in labour, and that the public service should have the same civil rights as labour anywhere else. However, I think bitter experience has shown that we must ask tonight whose civil rights need protection. I seriously question whether it is not the people of Canada whose civil rights need protecting.

Some hon. Members: Hear, hear!

Mr. Epp: Mr. Speaker, since I was elected to this House in 1972, not too long ago, my experience is that we have had to legislate the grainhandlers back to work, we have legislated the railroad workers back to work, and I am confident that before too long we will legislate the postal workers back to work.

What is the scenario? We see workers in essential services calling for a strike. It is carried over the media that a strike is imminent. Everybody gears up to it and battens down for the occasion. The first thing the government does when asked how it will solve the strike is to express pious support of the right to strike. Once having expressed that support, the government lets the strike go on. After it has been going on for a while the government realizes that it is an emergency, that it must do something, and then brings in back-to-work legislation. We have had that experience. As members of parliament we become the conciliation and arbitration board as well as the body which sets the wages. At least this has happened in the past.

Whether or not the government says it is committed to the right to strike, in actual fact it breaks that very principle which it espouses and to which, it says, it wants to hold. It is a charade. Tonight while the people of Canada are in the midst of a strike in another essential service, they are sick and tired of the charade. They do not want it any longer. They are saying to the government that they do not want to be held ransom to unions, and will not negotiate with an economic pistol to their heads any longer. There are many people saying today to the government, and to the representatives opposite, that if the postal workers want to go on strike and hold us for ransom then so be it; they can go on strike and stay there.

We might take a look at some of the union leadership we have seen in the last few days by people such as Messrs. Davidson and Parrot. If this is union leadership then no wonder we are in trouble because it is hardly responsible leadership. These people have done immeasurable harm to the working people of Canada who are deserving of pay, but who do not want to have that type of leadership so far as they are concerned.

Mr. Francis: From their own unions.

Mr. Epp: Precisely.

● (2220)

The question then comes back that we want to pay for people who are giving us essential services. I believe that when a person enters the public service he enters it slightly differently than if it were the free market place, and his prime consideration should be to give service. As taxpayers we want to pay for that service, but the prime motivation must be service.

I am saying today that many of the union leaders have lost that motivation. Today all they are looking at is how much they can get out of the grab bag. Today we should ask the question: should those who are in the public service and do not want to go on strike, and do not want to exercise that right, have the right to work? I would like the government to express its views on this. I say the time has come when Canadians demand that the government get off its backside and say what is its position on strikes in essential services, whether it is committed to a process to bring those services back, to bring back productivity in the public service where small groups, who are supposedly in the process of exercising their rights, will not be allowed to take away the rights of other Canadians to make a livelihood and to carry on their own businesses.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member for Provencher (Mr. Epp) has raised a question concerning the present postal strike.

The Public Service Relations Act provides public service employees, through their bargaining agent, with the right to select a dispute settlement method. There are two: binding arbitration, or the conciliation strike route. The employer has no involvement in the selection process.

Parliament having granted to federal employees the option of the conciliation strike method for dispute settlement, it would be wrong to assume that some employees on occasion would not choose this recourse.

On balance it can be said that the federal government has a most favourable record in terms of the number of strikes which have in fact taken place. Over 300 collective agreements have been signed since collective bargaining was granted to the public service, and there have been 11 legal strikes.

It is not the government's intention at this time to bring forward general legislation which will deny public servants the right to strike. Parliament will, of course, always reserve the right to review specific situations in order to protect the public interest.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, October, 24, 1975

The House met at 11 a.m.

[*English*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Maurice Harquail, Esquire, member of the electoral district of Restigouche.

NEW MEMBER INTRODUCED

Maurice Harquail, Esquire, member for the electoral district of Restigouche, introduced by Hon. Mitchell Sharp and Hon. Roméo LeBlanc.

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

REQUEST FOR STATEMENT BY MINISTER ON THE DETAILS OF CONSTRUCTION AND OPERATION OF MIRABEL—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the extraordinary expense to Canadians because of this grandiose, and semi-obsolete in design, airport at Mirabel, the opening of which has been mercifully delayed following the official opening which featured champagne and lobster for the VIPs and tear gas for the local farmers, I move, seconded by the hon. member for Capilano (Mr. Huntington):

That the Minister of Transport, in view of the importance of the situation, make a statement on motions at the earliest opportunity and appear in the same way before the Standing Committee on Transport and Communications to deal with the many apparent difficulties in the operational capacity of Mirabel such as the problems and deficiencies in the electrical, plumbing and heating systems and to state unequivocally that he as Minister of Transport has been fully briefed on all details relevant to operational reliability for passengers and equipment as well as employee safety and the purchase and appraisal methods and procedures involved in acquiring land for Mirabel which contains some interesting details, and perhaps the most fundamental of all, that the runway conditions and standards are acceptable by ICAO as set out in Annex 14.

Some hon. Members: Hear, hear!

Mr. Speaker: A motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

[*Translation*]

ADMINISTRATION OF JUSTICE

PROPOSAL THAT COMMITTEE STUDY APPOINTMENT OF OMBUDSMAN—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with a crucial matter.

Considering that the protection of the citizen must be the basic concern of any government, that this basic concern for civil liberties must be evidenced in more tangible terms and that the federal government does not sufficiently endeavour to determine the best means to provide the citizen with the best protection in its relations with the latter, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That this House take the necessary action to consider the possibility of creating a position of ombudsman to improve the protection of the citizen in its relations with the state.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

HEALTH

PROPOSED COMMITTEE STUDY OF CHEMICAL ADDITIVES TO FOOD—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that as many as seven per cent of North American children are thought to be suffering from hyperactivity, and in certain areas the figure may reach 40 per cent; and in view of the fact that not only is hyperactivity a serious social and learning disability for the child, but it often leads to delinquency in the teenager and crime and violence in the adult; and in view of the fact that scientific

research has established a casual relationship between hyperactivity and artificial food colours and food flavours; and finally, in view of the fact that some 1800 chemicals are routinely used in the Canadian food supply, and very few of these have ever been tested for the deleterious effects they can have on human health and human behaviour, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the matter of chemical additives in the Canadian food supply be referred to the Standing Committee on Health, Welfare and Social Affairs for immediate consideration, study and report.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Murta: Mr. Speaker, before the question period starts, I should like to beg your indulgence for a few minutes and bring to the attention of the House the fact that in my constituency of Lisgar, in southern Manitoba, the post office employees—

Mr. Speaker: Order, please. I regret that the procedure of the House simply does not provide for the intervention of the hon. member. I have no idea what the point is—

Mr. Murta: Mr. Speaker, perhaps I might raise it briefly by way of a point of order.

Mr. Speaker: I regret to interrupt the hon. member but the Standing Orders of the House under which we have been operating since Easter do not permit points of order or questions of privilege at this time.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

RESPONSE OF MINISTER TO LETTER FROM UNION OF POSTAL WORKERS SUGGESTING RESUMPTION OF NEGOTIATIONS

Hon. W. G. Dinsdale (Brandon-Souris): I think, Mr. Speaker, I detect a smile on the handsome Irish countenance of the Postmaster General this morning. I do not know whether it results from the demonstration that is taking place in front of the building at this moment by the postal workers who are demonstrating against the strike or the fact that there is some truth in the rumour that a note has been received, in response to the invitation of the minister issued in the House yesterday, informing him that the negotiators from the Canadian Union of Postal Workers are ready to return to the bargaining table. If this is true, is the minister able to give a positive response?

Hon. Bryce Mackasey (Postmaster General): I understand, Mr. Speaker, that there was a letter delivered by private courier from the Canadian Union of Postal Workers sometime last evening which I have not had a chance to study this morning.

[Mr. Yewchuk.]

Mr. Peters: Study it. It is two paragraphs.

Mr. Mackasey: The reply to the letter will be sent out sometime today after we have had a chance to fully analyze its contents.

STRIKE OF INSIDE WORKERS—SUGGESTED COOLING OFF PERIOD AND NEGOTIATION OF PROBLEM OF CASUAL WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in order that the Canadian public might begin to see light at the end of the long tunnel, I wonder if the minister would accept, in his response, the suggestion that has been put forward from this side of the House that a cooling off period of 90 days be a part of the bargaining process, and that the issue of casual workers be negotiable on the same basis as the very difficult question of technological change which was negotiated and successfully resolved, and in so doing make it possible for the postal workers to go back to work without losing face and ensuring that this essential service is restored in Canada.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I knew I was going to pay very dearly for that compliment. In the negotiations, as the hon. gentleman appreciates, the question of casual workers has been dealt with at great length by the conciliation board chairman. We are prepared to negotiate all issues. I propose to indicate, in a conciliatory tone, to the negotiators for the union that we are ready to resume negotiations almost immediately and it would be very nice if they, as well, would show their concern for the Canadian public by letting workers in their union who want to go back to work go back to work because they are obviously in the majority across this country.

Some hon. Members: Hear, hear!

Mr. Mackasey: Many locals have gone back to work in Newfoundland and some in New Brunswick, and obviously this is beginning to spread. I think it is time now for the House to have a little patience with me and for the union to extend the same courtesy until my reply in letter form—certainly not by telephone—and then we will see what emerges.

STRIKE OF INSIDE WORKERS—GOVERNMENT INTENTION WITH REGARD TO BACK TO WORK LEGISLATION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is to the Acting Prime Minister. On Wednesday the Postmaster General said that the postal strike "does not in the slightest add any pressure on the minister who runs the Post Office". While that may be true, I hope the Acting Prime Minister recognizes the hardship, or pressure if you like, that a long shut down of the post office will mean to many groups and individuals in the country. Unless this dispute is settled through the weekend, is it the government's position that in 90 days or a similar fixed period it will bring a back to work order during which time the

Postmaster General could pursue some meaningful settlement in negotiations with the union membership?

Hon. Mitchell Sharp (Acting Prime Minister): There is no change in the government's position. We have no intention at present of introducing any legislation which would require parliament to make a decision as to whether it wanted to interrupt the negotiations that are now going on.

STRIKE OF INSIDE WORKERS—WILLINGNESS OF GOVERNMENT TO RESUME NEGOTIATIONS ON ALL ISSUES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, since the attitude of the negotiators with regard to any potential settlement is absolutely crucial, I should like to ask the minister, in light of his reply to another hon. member in the House yesterday that the government did not provide any ultimatum on the question of wages to the union, whether he stands by that or whether he has checked with the government chief negotiator concerning the conversation he had with the chief union negotiator on Monday night when the union asked for clarification as to whether an ultimatum was involved and the chief negotiator for the government is said to have replied:

[*Translation*]

You are right, this is indeed an ultimatum, there is no doubt about it.

[*English*]

I am not yet fluently bilingual, but even to me the translation of that means that this is an ultimatum. What I would like to ask the minister, in view of the response to the letter he has received, whether it is his attitude that the government will resume negotiations now and discuss all the questions that concern the union.

● (1120)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I have great respect for the hon. gentleman. He is close to the labour movement. I would hope that the third conversation between our chief negotiator and the union was the one which was revealed. I would hope they have already taped the first two and will release the complete transcripts of them to put all three together to get the proper perspective on the only one they have released.

Mr. Broadbent: Mr. Speaker, the minister did not answer the question. He has received by hand a message from the postal workers which is only eight lines in length, and he says he has not yet had time to study it. In that letter they say they are prepared to discuss the very serious matter before the country right now in an open-ended way, and they want the government to do the same thing. I would like the minister to answer this question: is the government prepared to do so or not?

Mr. Mackasey: Not only are private telephone conversations revealed, obviously, but private correspondence as well, since the hon. member knows how many lines there were in the letter.

Mr. Broadbent: Would the minister do a service to the House and deal with the questions which are being asked, apart from making snide comments? Would he tell the House whether the government is prepared to have open-ended negotiations, or is it laying down some kind of ultimatum as a condition for those negotiations?

Mr. Mackasey: I am more than pleased to answer that. When the question is phrased precisely whether it is the position of the government that a wage package is an ultimatum, period, the answer is no. We will be ready to put a package together and to put it before the negotiating team of the union after we have had a chance to analyse the letter in relation to the press release which was simultaneously released to the press gallery.

* * *

[*Translation*]

HOUSING

REQUEST FOR PROGRAM TO REDUCE MORTGAGE INTEREST RATES

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

With reference to a reply the Minister of Finance gave to a question I asked him last week and in which he indicated that the Minister of State for Urban Affairs would be introducing programs aimed at reducing interest rates in specific cases, could the Minister of State for Urban Affairs advise the House to which particular areas these programs will apply and also when the relevant legislation will be introduced?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am not at liberty to indicate the precise nature of the programs themselves, but we will continue to support low and moderate income families for low-cost but very good housing. I hope to be able to make announcements on the program itself at the earliest possible date in November, but it is taking a great deal of work to pull the program together and to update it. However, I can assure the hon. member that it is proceeding with all haste.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—PROSPECTS FOR CO-OPERATION BY PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Finance. In view of the indications from the government recently that it expected to have a much clearer idea of the attitude of the provinces toward the anti-inflationary program after the meeting with the provincial ministers of finance, which has taken place in the last couple of days, can the minister tell the House how many, and if possible, which provinces indicated they are prepared to go along firmly and categorically with the government's program, and specifically are prepared to enter into agreements with the federal government to put sectors of provincial jurisdiction under the proposed federal administration?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think a valid summary of the last two days' discussions would be that while there are certain details of the anti-inflation program with which the provincial governments disagreed, and while there were details which they would like us to change and changes which we are prepared to consider, in general I think it is a fair statement of their position that all governments were prepared to support our program and to co-operate.

There will be certain questions, one of which is the question of the determination of professional income, which was recognized as a difficulty and upon which there will have to be additional work done. It was decided by all the provinces that they would assume exclusive responsibility for the control of rents, although there will be an attempt to develop national criteria, so there will not be any invidious comparison from one region to another. With respect to dealing with the public sector, the government of Quebec made it clear that it would be creating its own regime to deal with the public sector within Quebec. The conclusion I draw from the remarks of Mr. McKeough in regard to Ontario, on the other hand, is that Ontario will be opting into the federal tribunal with regard to the public sector.

I think it is fair to say that most of the other provinces at this moment have not given final indication whether all or part of the public sector would be put under federal jurisdiction. I cannot be clear on their intentions at this point.

ANTI-INFLATION PROGRAM—INTENTION OF PROVINCES TO FOLLOW FEDERAL GUIDELINES IF THEY SET UP THEIR OWN ADMINISTRATION

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question. With respect to those provinces that have already, or indicate that at some point in the future they intend, to set up their own administration, has there been any commitment from them that they may be considering this line of procedure? Has there been any commitment that they will follow and adopt the guidelines announced by the federal government in administering the program itself?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think the most accurate description would be that they all recognize that failure to adopt essentially national standards could result, in appropriate cases, in employee competition between one province and another. In that sense there was a general recognition of the wisdom of attempting to accord decisions on the basis of national criteria rather than purely locally evolved ones. There was recognition of the fact that as time goes on, with two tribunals dealing with the same subject matter but with differences in individual personality and local facts, there could be a divergence. I think it was generally accepted, however, that every effort should be made to try to avoid that.

ANTI-INFLATION PROGRAM—POSITION OF PROVINCES ON CONSTITUTIONALITY OF LEGISLATION

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary question, Mr. Speaker. Can the Minister of Finance indicate whether the provinces accept the constitutional position of the government following these discussions? I ask this question particularly in view of the statement attributed to the Minister of Labour of the province of Quebec reported in *Le Devoir* as follows:

[*Translation*]

And I quote *Le Devoir:*

He said that the bill "appears to disregard completely the legal implications of labour legislation".

On Thursday, concerning labour legislation, he also said:

The bill compels Quebec to review its entire legislation governing collective bargaining, unique in Canada, which covers about 250,000 workers in the province.

[*English*]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in general, the provinces indicated that there was no contest on their part with respect to the jurisdiction of the government of Canada to put this program forward, and indeed to put forward the bill that is now before parliament. The report the hon. gentleman has referred to does reflect a concern that was expressed, not so much from the constitutional standpoint, but from the legal and practical standpoint of integrating the collective bargaining system which of course will deal with many other things than the compensation level, but which will be importantly affected by compensation levels by adjusting the collective bargaining system to the over-all compensation control program. We recognize that inevitably the judgments of the Anti-Inflation Board, for example in the private sector, are going to have an impact on negotiations within the province of Quebec. We recognize that there will have to be close consultation in this regard. Whether any formal changes in either the Quebec or Federal law, will be required is not clear. It seems to me at this point that the over-all federal administration can effectively be adjusted to the collective bargaining system, whether we are talking about that under the federal jurisdiction or each province.

ANTI-INFLATION PROGRAM—POSSIBILITY OF AGREEMENT WITH PROVINCES TO PLACE MARKETING BOARDS UNDER GUIDELINES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is a supplementary for the Minister of Finance. In view of the fact that most marketing boards are under provincial jurisdiction, and in view of the evidence that was presented by the Food Prices Review Board that at least in one area of commodity marketing, the area of chicken broilers, there is evidence of a consumer rip-off, may I ask if the minister has sought or intends to seek agreement from the provinces to place all marketing boards in Canada under the guidelines laid down by the white paper. In conclusion may I ask if he intends to place some restraint on the language of the Minister of Agriculture who described the principal people on the Anti-inflation Baord as a bunch of nuts.

● (1130)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with regard to the hon. gentleman's final comment, I hope he understands that I should try to confine

myself to the possible rather than to the more difficult mission he has assigned to me.

The question of marketing boards was not, I have to say, prominently discussed at the meeting. There is the recognition that there is a difficult interface to be established here and the demand, as suggested by the hon. gentleman, was not made by me. Yes, this is a question on which, very obviously, we shall need to consult closely.

Mr. McGrath: A final supplementary question, Mr. Speaker. May I ask the Minister of Finance, in view of the questionable constitutional jurisdiction in this area, if the government intends to direct the Minister of Agriculture immediately to enter into negotiations and discussions with his provincial counterparts, to ensure that provincial marketing boards as well as federal marketing boards adhere to the federal guidelines, so that some of these consumer rip-offs can be ended forthwith?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not accept the hon. member's suggestion, that there is any doubt about constitutionality in this particular area. As I say, that doubt was not evinced by any of the ten provincial governments represented at the meeting. With regard to discussions with the provinces, that, as I said, is obviously a matter which will need to be discussed and I think the Minister of Agriculture would be a first-class spokesman in this regard.

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HOUSING

MINISTER'S INTENTION WITH REGARD TO MEETING PROVINCIAL MINISTERS PRIOR TO INTRODUCTION OF NEW PROGRAM

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs. As we have now seen two meetings convened by the present government, one with the premiers and the other with provincial finance ministers, for the purpose of seeking their co-operation for the anti-inflationary program after the program had been decided on—the government did not seek their input prior to its announcement—and as this approach has contributed to public uncertainty regarding the program, will the minister say if he intends to meet with provincial ministers of housing, to discuss his proposed housing measures before they are introduced, in order to avoid further confusions and aggravation in an area of shared jurisdiction.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have been in touch with all provincial housing ministers, asking if they wanted a meeting in relation to the guidelines. There was no consensus for the holding of such a meeting. Actually, only two ministers wanted it, because they had not attended the last housing ministers meeting. I am prepared to meet with them. I assure the hon. member that the input from the last two or three meetings I had with provincial housing ministers is having a significant impact on new legislation and new proposals which will be presented shortly. I will be pleased to meet with them. Actually, I will be canvassing them again, to see when they wish to have another meeting.

PUBLIC SERVICE

PAY INCREASES FOR EXECUTIVE CATEGORY—REQUEST FOR CLARIFICATION OF ALLEGEDLY CONFLICTING STATEMENTS BY PRIME MINISTER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the Prime Minister's statement made in the House yesterday, as reported on page 8473 of *Hansard*, to the effect that cabinet decided on July 24 to accept the new salary ranges for senior civil servants, and in view of the previous statement made in the House on July 28, in answer to a question put by the hon. member for Oshawa-Whitby, to the effect that the decision had not yet been reached on July 28, can the Acting Prime Minister, in view of the two different dates which were mentioned, and the contradictions, clarify these obvious contradictions for the House?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand that the Prime Minister consulted the records and found that on July 24 the cabinet had decided in principle to adopt certain increases in the salary ranges for senior civil servants. We did not adopt fully the recommendations of the Lambert Commission. We made some independent judgment rather reducing what they had recommended. But I understand from the Prime Minister that he did look up the record, and the decision was made on July 24.

PAY INCREASES FOR EXECUTIVE CATEGORY—DATE OF SIGNING OF TREASURY BOARD MINUTES

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question, Mr. Speaker. I am happy that the Acting Prime Minister has clarified the matter, since *Hansard* for July 28 suggests the opposite. May I ask the Acting Prime Minister the following question. In view of the Prime Minister's statement yesterday to the effect that the government was still slotting senior civil servants into the new salary ranges up until two weeks ago, does that mean that the Treasury Board minutes, or some of them, were not signed until at least two weeks ago? If so, can he tell us the relevant dates on which the Treasury Board minutes were signed?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, no, I cannot answer that question. The Prime Minister yesterday outlined the facts, that to the extent these matters are published, they will appear. There always has been a reservation to the effect that the individual salaries of senior civil servants should not be published, but simply the ranges themselves within which their salaries are determined. I do not think there is any contradiction. I think the hon. gentleman is trying to create dispute about nothing at all.

Some hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, may I direct a final supplementary question to the Acting Prime Minister? Does the Prime Minister's statement made in the House yesterday, to the effect that the final slotting for senior civil servants was not completed until two weeks ago, not mean that the

Prime Minister really said that the final slotting of civil servants and the signing of the minutes did not occur until after the cabinet had agreed on wage and price guidelines for Canadians?

Mr. Sharp: Mr. Speaker, there is a process for the determination of the salary ranges of senior civil servants and the process was explained by the Prime Minister yesterday. The cabinet decides as to the ranges. One must look at the record of the particular individual, to determine whether he is at the bottom or top of the range. It is a process which continues every year. There was no variation in it this year and there was no need to vary it.

Mr. Nystrom: When was it decided? That is all I am asking.

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REGIONAL ECONOMIC EXPANSION

NEW BRUNSWICK—SUGGESTION PRIORITY BE GIVEN TO FEDERAL EXPENDITURES ON HIGHWAYS IN NORTHERN PART OF PROVINCE

Mr. Maurice Harquail (Restigouche): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Harquail: —first, may I thank you for your courtesy and thank all hon. members for the courtesy they showed me this morning. May I direct my question to the Minister of Regional Economic Expansion? Could he inform the House if it is still federal government policy that DREE money expended on highways in New Brunswick should, as a matter of priority, be spent in northern New Brunswick?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): First, Mr. Speaker, I would like to congratulate the hon. member on his election and also for joining us in this House. I want to assure him of my full cooperation and of the special consideration I will give his representations.

As for the particular subject of his question, it is with pleasure that I can assure him that it is precisely one of the concerns and priorities of the government and of my department to see that access ways and highways in northeast New Brunswick be improved as rapidly as possible. To this end, we are currently pursuing intensive negotiations with the government of that province to sign an agreement for carrying out the project that is of concern to you.

* * *

[*English*]

ENERGY

SYNCRUDE PROJECT—ADEQUACY OF DEVICES TO MONITOR POLLUTION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is he satisfied with the adequacy of the devices used to monitor pollution around the Syncrude project in the Athabasca oil sands?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I understand that the hon. gentleman asked me whether we are satisfied with the pollution devices around the Syncrude project?

Mr. Gillies: That is right.

Mr. Gillespie: Mr. Speaker, I will be pleased to check into this information. I am not familiar with the pollution problem around the Syncrude project, but will check and obtain the information for the hon. gentleman.

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TRANSPORT

DREDGING—POSSIBILITY OF NATIONALIZING INDUSTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Minister of Transport. Since the minister is unable to receive more than one bid on various dredging jobs, in particular at Île d'Orleans, Cape-de-la-Roche and South Baymouth, and since the bids which he has received are away out of line with departmental estimates, does the minister plan to nationalize this particular industry? If not, why not?

● (1140)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there are a number of alternatives which we will want to examine thoroughly. One is the opening of dredging to more extensive competition than has existed in the past. We will, of course, have to look at the alternative of doing some of the work ourselves if we are not satisfied with the results that can be obtained otherwise. I would not rush to that solution if other solutions were more satisfactory.

Mr. Paproski: Is it the intention, for example, to make Public Works the prime contractor and then sub-contract these particular dredging jobs?

Mr. Lang: Mr. Speaker, it is a little hard to say who will do the job until we decide whether the job will be done at all.

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CANADIAN NATIONAL RAILWAYS

PROPOSED ABANDONMENT OF LIVERPOOL TO YARMOUTH SERVICE—REQUEST FOR INVESTIGATION AND DETAILS OF BASIS FOR PROPOSAL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I, too, have a question for the Minister of Transport. On October 16 I asked the minister whether he would investigate the proposal to discontinue CNR rail service between Liverpool and Yarmouth, Nova Scotia. He promised to investigate this matter. In view of the public interest shown along the south shore, can the minister now reply to this question?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the procedure provided for in the legislation for a railway to obtain subsidies is a procedure whereby the railway first applies for abandonment. That is the procedure being followed at this time. Therefore, the question of actual continuation of the service is one that will be determined in the ordinary course by the Canadian Transport Commission.

Mr. Crouse: In view of the importance of the CNR connecting link between Liverpool and Yarmouth and the fact that the railway has indicated it must discontinue this because it is operating at a loss, will the minister investigate the proposed action and inform me of the amount of the stated loss on the operation of this service, the charges made against the service which led to this loss and whether, in light of the economic effect upon this section of Nova Scotia, he will recommend to the CTC the continuation of this service.

Mr. Lang: Mr. Speaker, I will certainly take the suggestion about representations under consideration. I will attempt to obtain the figures as quickly as possible for the hon. member. I would, however, like to again emphasize that it may be wise for us to look as well at the legislation and the terminology. It might be better if we can provide for an application for a subsidy instead of having to go through the form of application for abandonment which always causes undue concern.

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GRAIN

EFFECT OF ANTI-INFLATION GUIDELINES ON EXPORT AND DOMESTIC PRICES—PAYMENT OF AMOUNT OF INCREASE OVER DELIVERED PRICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Transport in his capacity as head of the Canadian Wheat Board. It is a very serious question in light of the fact that this is a $2 billion industry and the world market price for wheat is now over $5. a bushel. What effect will the anti-inflation program have on two factors; first, the export price of grain which of course is set by contract with the Wheat Board and, second, the domestic price of grain sold in Canada which was previously fixed during this or another session of parliament?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the Canadian Wheat Board markets wheat and barley abroad. It does so at world prices. As a result of current prices, it is probably more like a $3 billion than a $2 billion industry. Those prices will continue to be set by the world market. They will be unaffected by any action we have taken. In the case of wheat domestically, there has been a fixed price in terms of the consumer in Canada since the adoption of the two price wheat policy a couple of years ago. As a result, there has been no effect upon the price of bread due to changes in wheat prices in that period. There is, of course, a partial payment from the treasury to the wheat producer which offsets some of the advantage the consumer receives in the lower price for grain. In the case of feed grain, there is basically an open market situation. There, the ordinary supply and demand forces will be allowed to work. That is the implication of our statement that the guidelines do not apply in such a highly competitive area as that of farm products.

Mr. Woolliams: At the time of the combining of grain in western Canada, which used to be referred to as threshing of grain, the country elevator price for wheat was set at approximately $2. I believe that price has now increased to three something. Why was it set at $2? Will those who received $2 when the delivery was made now receive cheques for the increase to $3.50, I believe it is?

Mr. Lang: Yes, Mr. Speaker. The setting of initial prices for the last five years has been done initially on March 1 for August 1 and the subsequent period. In the last three year at least, we reviewed that when more up to date information about marketing conditions was available. We have in each of the last years increased the initial price at that time by an amount of the order of magnitude to which the hon. member refers. Those who delivered grain between August 1 and the time of adjustment receive a payment for the difference as soon as feasible. I should emphasize that this is all the grain producers' own money in the sense that it is anticipated proceeds from the sale of that grain into the market.

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[Translation]

FISHERIES

POSSIBILITY OF NEW POLICY ON HUNTING OF SEALS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I would like to ask the Minister of State (Fisheries) a question.

In view of the constant uncertainty felt among fishermen who go in for seal hunting in Canada, particularly in eastern Quebec and the Maritimes, and in view of the study undertaken by scientists in his department and by the committee on seals and seal hunting, could the minister tell the House whether he might announce a new policy in this area in the near future?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, indeed new scientific data indicate that the stocks of seals are seriously threatened. Yesterday, I met Professor Keith Ronald, chairman of the committee, and some of the fisheries scientists, who confirm that we will have to consider reducing drastically our catch in the coming season. We undertook a series of consultations with all the interested parties, and in particular with the fishermen, the industry as a whole, and two other countries concerned, namely Norway and Denmark, and I can assure the House that, to the extent where we can protect the interests of our fishermen, we will do so eagerly.

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR EXPLANATION OF EXEMPTIONS FROM WAGE GUIDELINES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is to the Minister of Finance. The white paper provides within it certain exemptions for wage contracts, one being historical relationships and the other contracts signed prior to January 1, 1974. Will the minister clarify whether they are all or nothing exemptions. In other words, will a contract be totally exempt or not exempt or will the board have the discretion to give partial settlements above the guidelines but below any agreed or negotiated settlement?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, perhaps the most helpful way to answer the question is to point out the difference in terminology. The white paper does not indicate exemptions. What it does indicate is that the Anti-Inflation Board may take account of special circumstances and may decide, notwithstanding the guidelines, that those special circumstances dictate different treatment. Having put it in that context, I think it will be obvious to the hon. member that the board can determine that the different treatment might be to go totally to whatever the negotiated level is or to some intermediate range. It is totally the discretion of the board, not only as to whether it should depart from the guidelines, but how far they should depart.

Mr. Leggatt: In view of the discretion the board will apparently have, will the government give consideration to the fact that where the board decides to grant a partial settlement, a strike may result following that with both the employer and employee agreeing there will be a strike, not against the employer, but against the government, similar to the post office situation? Was that possibility given consideration in terms of the mechanics of the legislation?

● (1150)

Mr. Macdonald (Rosedale): Mr. Speaker, I do not know that I would agree with the hon. gentleman's analysis. The strike, after all, is against the employer. The full range of economic pressures which can be brought to bear on an employer, namely a withdrawal of services, still exists under either the provincial or the federal law, as I indicated to the Leader of the Opposition. Therefore, I do not think the hon. gentleman's analysis is correct.

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AIR CANADA

DATE OF PUBLICATION OF ESTEY REPORT—SUGGESTION COMPANY OFFICIALS APPEAR BEFORE COMMITTEE

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport. Since it appears that he has the Estey report in his hands at the present time, can he inform the House when the report will be translated, if it has to be, and when it will be tabled in the House of Commons so that the Canadian public can see what the report contains?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I cannot give any precise timing for the publication of the report. It is a very lengthy one and therefore translation and printing will take a considerable period of time. I would not want at this point to give a rough estimate of how long.

Mr. Murta: A supplementary question, Mr. Speaker. May I have an assurance from the Minister of Transport that when the Estey report is translated and made public, hopefully as soon as possible, the government will agree to allow officials of Air Canada to be brought before parliament for a thorough investigation of the air line?

Mr. Lang: Mr. Speaker, the intention certainly is to ask parliament for a very full examination of the issues involved. Indeed, I want to assure hon. members that in the interval between receipt of the report and its publication the government will be taking certain action which will permit the putting of proposals before parliament.

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NATIONAL DEFENCE

UNITED NATIONS FORCE IN MIDDLE EAST—POSSIBILITY OF REQUEST FOR INCREASED CANADIAN COMMITMENT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Minister of National Defence. Following yesterday's security council vote regarding the United Nations force in the Middle East and also the requirement for augmented forces consequent upon the Egyptian-Israeli Sinai agreement, can the minister indicate whether a request has come to Canada for an increased commitment to this force, can he indicate the response to such request and what is to be the extent and type of our enlarged involvement?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there has been no formal request from the United Nations for an enlargement of our contribution to the emergency force.

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UNEMPLOYMENT INSURANCE

ALLEGED UNION POLICY NOT TO ASSIST IN DISTRIBUTION OF BENEFITS—GOVERNMENT POSITION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Has the minister had any indication that members of the public service alliance in UIC offices are bound by union policy and are not prepared to assist in the distribution of UIC payments? If this is the case, what steps is the minister's department taking to have UIC payments distributed to Canada's many unemployed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have had no indication of this in any information I have at this moment. I hope this

will not be the case because the measures we are taking are the same as those we have taken quite successfully in the past under the circumstances. I have every anticipation that things will continue normally.

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AIR TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—DATE OF PUBLICATION OF REPORT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Transport, and I should like to congratulate him on his shift in portfolio. Moving from justice to transport, he is uniquely situated now to answer on a topic that has been raised many times in the past year both by myself and other members. On October 14 the Minister of Transport stated that the report on the crash of a Panarctic plane in the Arctic would be released some time this week. Can the minister now produce the report, or have some new forms of obstruction prevented its completion? I would remind the minister that by the end of next week we will have reached the first anniversary of that sad occasion.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, may I thank the hon. member for his kind comments and assure him that in my new office I will try to leave the old one behind and seek legal advice from other quarters.

Some hon. Members: Hear, hear!

Mr. Lang: I should like to confirm to hon. members opposite, who seem not to understand, that the lawyer members of this government have long found that to be a desirable principle to follow, one, to which we all try to adhere. I would tell the hon. member that the release of the report is imminent.

DATE OF INTRODUCTION OF LEGISLATION TO ESTABLISH INDEPENDENT ACCIDENT INVESTIGATION COMMISSION

Mr. Howard Johnston (Okanagan-Kootenay): A supplementary question, Mr. Speaker. Following the CBC program on the subject which graphically illustrated the confusion surrounding the attempts to investigate this unfortunate crash, can the minister tell the House when he will be bringing forward legislation to implement the independent accident investigation commission which was promised in the Speech from the Throne?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, work on that legislation is going forward and I am looking forward to bringing it in, though the House is preoccupied with many things these days. At the same time, we have been taking steps to look at and review our regulations touching this area, and some improvements in that regard will be forthcoming as well.

FOREIGN INVESTMENT

EFFECT OF REFUSAL OF BID BY WHITE CONSOLIDATED TO TAKE OVER WESTINGHOUSE—GOVERNMENT ACTION TO PROTECT JOBS—POSSIBLE EXTENSION OF DEADLINE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce on a matter that is of some urgency to Canadian Westinghouse. Can the minister advise the House whether the government has made any progress toward the solution that I believe is required prior to October 31, which is the deadline? Has the minister anything to report to the House today?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. I am very glad to be able to tell the hon. member and the House in general that I met this morning with a number of the principals of one of the companies concerned. I think the hon. member will appreciate that at this moment in time, due to the delicacy of the negotiations, I would prefer not to be too specific. However, I can say that the meeting has resulted in a commitment to a further one within a week. In addition, the principals of two other companies involved will also be consulted by me during the same period.

I would not call this morning's meeting definitive—that is, that there were firm proposals put forward—but I certainly conveyed to all concerned the determination of the government of Canada to ensure that the 2,300 jobs, and incidentally several more ancillary jobs as well, will not be jeopardized and that we will see, to the best of our ability, that they are protected.

Mr. Alexander: A supplementary question, Mr. Speaker. The date of October 31 seems to be quite important to General Steel Wares Limited since that is the expiration date of their contract. Will the negotiations be able to meet this deadline or are we talking of an extension of the time? Has the minister any information in that regard?

Mr. Jamieson: Yes, Mr. Speaker. I inquired this morning whether or not the October 31 date was the finishing date for any options and no positive answer was available at this time. This is one of the questions my officials are now seeking an answer to, namely whether an extension is possible or there is some other means of keeping the application to buy open. I hope that early next week I will be able to provide the hon. member with more details in this connection. At the moment, the information available to me appears to be somewhat vague.

* * *

POST OFFICE

ARRANGEMENTS FOR DELIVERY OF PENSION CHEQUES FROM UNITED STATES—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Postmaster General. In view of the present impasse in our postal system, and in view of the fact that contingency plans have been implemented by the government to ensure delivery of cheques by various means to recipients of CP, OAS, GIS, UIC and other benefits, may I,

ask the Postmaster General whether he would take the necessary action to ensure that United States social security and civil service pensions will be made available to southern Ontario residents, bearing in mind that many pensioners rely heavily and sometimes solely on these cheques for their livelihood?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I will accept that representation and see what can be done, but there is already an embargo on mail coming in from the United States. However, I will inquire.

● (1200)

Mr. Nystrom: Mr. Speaker, I have served notice of my intention to raise a question of privilege, regarding whether or not the Prime Minister (Mr. Trudeau) may be misleading the House in respect of the dates when the agreement was reached in cabinet about senior civil servants' salaries. In view of the statement of the Acting Prime Minister (Mr. Sharp) that the Prime Minister had checked into this, and in view of the fact that the Prime Minister is not here, I should like to defer this matter until Monday when the Prime Minister is back in the House.

Mr. Speaker: I certainly have no objection to the hon. member deferring it. I do have some advice for the hon. member in respect of the content of his notice which is as follows:

> I hereby give notice that I intend to raise a question of privilege today regarding the inconsistency between statements made by the Prime Minister in the House yesterday, and in the House on July 28, 1975, regarding salary increases for senior public servants.

That notice, if it accurately describes the question of privilege, would fly directly in the face of precedent which is, of course, that an inconsistency in a statement made either inside or outside the House is a matter of debate and not a matter of privilege. Therefore, I would caution the hon. member that when the point does arise, I would expect him to be able to persuade me very quickly that there is something distinctive about the question of privilege which he proposes to bring forward.

Mr. Whelan: Mr. Speaker, I rise on a point of order involving a question raised by the hon. member for St. John's East (Mr. McGrath). He made a statement about a comment I had made, stating that I referred to the present Anti-Inflation Board. I referred to the past Food Prices Review Board, and I stand by what I said, that the report was a kooky report. The report contained some facts but omitted many other important facts, etc., and until the board submits a report with everything in it, I will still call it a kooky report, or a kooky board, too.

Mr. Murta: Mr. Speaker, I rise on a point of order to bring to the attention of the House the fact that in my constituency in southern Manitoba the Post Office employees in three towns, being Morden, Winkler and Altona, have refused to go on strike. Consequently, the local mail in these areas is still moving. In view of other action that has been taken in the past few weeks generally by Post Office employees, I feel that in this situation this action by these people in southern Manitoba is very commendable. I would hope the House would agree with me that this is a very commendable course of action for these people to follow.

Some hon. Members: Hear, hear!

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,014, a corrected question, 3,042, 3,079 and 3,163.

[*Text*]

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,014—**Mr. Huntington:** (Corrected)

Since 1968, has Mr. Louis Desmarais, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): (i) Member, (ii) Montreal Port Authority, (iii) December 15, 1971, to date, (iv) Appointment, (v) Minister of Transport, Vice-Chairman, Canada Development Corporation appointed by Governor in Council (see sections 4 and 5, CDC Act).

SMALL CRAFT HARBOURS

Question No. 3,042—**Mr. Marshall:**

1. What progress has been made in the Small Craft Harbour Programme for 1975-76 with regard to the following projects in Western Newfoundland (a) Port Saunders (b) Castor River North (c) Port aux Choix (d) Crabbe's River (e) Fishels (f) Old House Rocks (g) Fox Island River (h) Bank Head Cove (i) Flat Bay (j) Daniel's Harbour (k) Stephenville Crossing (l) Trout River (m) Forrester's Point (n) Rocky Harbour (o) Cow Head?

2. Will any of the projects not completed or in process be delayed as a result of budgetary restraints?

Mr. George Baker (Parliamentary Secretary to Minister of State (Fisheries)): 1. (a) Service Center Wharf, 100 per cent completed; (b) Wharf Extension, 80 per cent completed; (c) Longliner Wharf, 20 per cent completed; (d) Dredging, Contract awarded May 27/75; (e) Engine & Winch, Deferred; (f) Engine & Winch, Deferred; (g) Landing Wharf, 100 per cent completed; (h) Engine & Winch, Deferred; (i) Engine & Winch, Deferred; (j) Fishermans Wharf, Deferred; (k) Engine & Winch, Deferred; (l) Breakwater Repairs, Contract awarded June 26/75; (m) Wharf Repairs, Deferred; (n) Wharf Repairs, Will be done this summer; (o) Breakwater Repairs, Contract awarded June 25/75.

2. Projects in process will not be delayed. Other projects not yet begun will be deferred as indicated in Part 1.

COST OF FESTIVAL CANADA '75 PROGRAM

Question No. 3,079—**Mr. Stevens:**

1. What was the total cost for the (a) preparation (b) performance of each opera (i) The Magic Flute (ii) La Belle Hélène (iii) La Traviata presented by the National Arts Centre during the Festival Canada 75 Programme?

2. In each case, what was the total cost of (a) salaries and wages paid to (i) cast members (ii) musicians (iii) technicians (iv) supporting personnel (b) construction materials (c) costume materials (d) other costs attributable to the preparation and presentation of each production?

3. In each case (a) what were the total (i) material (ii) labour expenditures on costumes (b) what proportion of total expenditures was attributable to total expenditures on costumes?

4. In each case (a) what were the total (i) design (ii) construction (iii) labour expenditures on the sets (b) what proportion of total expenditures was attributable to total expenditures on sets?

5. In each case (a) what were the total (i) materials (ii) labour expenditures on properties (b) what proportion of total expenditures was attributable to total properties costs?

6. In each case (a) what were the total costs of salaries for (i) musicians (ii) cast members (b) what proportion of total expenditures was attributable to total expenditures on performers' salaries?

7. Did Mario Bernardi receive payments for the Festival Canada 75 National Arts Centre opera programme that were in addition to his regular salary as musical director of the NAC and, if so, in what amounts?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Arts Centre as follows: The total cost of the programs presented by the Centre during Festival Canada 1975 is estimated at present at $775,000. The Centre deals with many unions, professional associations and artists' agents and operates in a highly competitive field. If it were to be the only theatrical/musical producer in Canada to have to reveal detailed costs of individual productions it would be placed in a position of considerable disadvantage vis-à-vis other producers.

LANGUAGE TRAINING

Question No. 3,163—**Mr. Reynolds:**

For each (a) department (b) Crown corporation, how many employees were away in 1974 and for what period of time, to learn to speak (i) English (ii) French?

Hon. Mitchell Sharp (President of the Privy Council): (a) See Questions No. 46 and 49 of September 30, 1974, 1,454 of February 3, 1975, 2,106 and 2,107 of March 20, 1975, 2,373 and 2,374 of April 24, 1975. (b) The information requested is not readily available to provide an accurate answer to this question. In order to answer this question, it would be necessary to review the personal file of every individual who was away on language training. In view of the workload involved the government does not feel justified in undertaking such a review.

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 1,779 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

PUBLIC WORKS—CONTRACTS FOR MAINTENANCE AND CLEANING SERVICES

Question No. 1,779—**Mr. Nystrom:**

1. (a) Since January 1, 1972, what contracts were let and to which firms, by the Department of Public Works for maintenance and cleaning services in (i) Halifax (ii) Quebec City (iii) Montreal (iv) Ottawa (v) Toronto (vi) Hamilton (vii) Winnipeg (viii) Regina (ix) Saskatoon (x) Calgary (xi) Edmonton (xii) Vancouver (xiii) Victoria (b) what was the value and duration of each and the wage rates paid under the contracts?

2. Who are the principal owners of each of the firms?

3. (a) Which of the firms have received, or are currently receiving some form of government grant (b) how much is each such grant (c) for what purpose was it granted?

4. What has been the total cost of advertising by the Department of Public Works of tender calls for the purpose of letting all cleaning service and maintenance contracts throughout Canada in the fiscal years (a) 1969-70 (b) 1970-71 (c) 1971-72 (d) 1972-73 (e) to October 1, 1973?

Return tabled.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Thursday, October 23, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to begin by stating my support for this bill, its purpose being to legislate the controls segment of the government's prices and incomes policy. I think this policy is on the right track. The House knows that in saying this I speak as someone who, while a supporter of the government, does not always give it blanket approval no matter what it does or fails to do. I state my support for the bill as someone who is willing to speak publicly about the government he supports, at times in critical but always constructive ways. Therefore, while I say that the bill and the policy it reflects deserve the general support of Canadians today, I will be raising some questions which I think should be answered by the government and I will be

pointing out some areas where I think the bill could be improved as it moves through the legislative process.

I believe these kinds of questions and areas of concern should be dealt with during our parliamentary consideration of the bill in order for it to have the fullest possible understanding and support of all segments of the Canadian people. This understanding and support is essential if the prices and incomes policy and the government's attack on inflation program as a whole are to succeed in their objectives of protecting the real incomes of Canadians and our competitive position in world markets.

As we know, Mr. Speaker, the prices and incomes policy basically involves a set of guidelines for restraining prices, profit margins, dividends and wages, backed up with a selective enforcement mechanism, that is, a mechanism for selective mandatory controls. I believe the program is on the right track because it reflects the kind of approach I have been advocating for the past 15 months. It is the approach of the anti-profiteering bill. This bill was a key part of the government's election platform and I believe this fact was a major reason for the public's decision to re-elect the government with a clear majority. I believe the voters wanted this measure and voted to re-elect the government in the expectation that it would move promptly after the election to have the anti-profiteering bill made into law.

This was something which, unfortunately, did not happen. I say "unfortunately" because it could well be that if the bill had been presented again to parliament by the government shortly after the election, it might have been possible to have a guidelines program in effect with the mandatory selective controls applying only to prices and profits and not to wages and salaries as well. Some 15 months ago, it could be argued, wage demands had not yet begun accelerating at quite the same rate as appeared to be the case some months later.

Also, the House will recall the government's effort prior to the June 23 budget to have a consensus program for restraint of prices and wages agreed to and followed on a voluntary basis by labour and business. This effort was not successful. However, it might, and probably would have succeeded if the government had been able to assure labour that the burden of restraint would not have fallen unfairly on its shoulders and that there would in fact be an effective means of restraining unwarranted price and profit increases. In other words, I think the program could have worked if it could have been backed up with the anti-profiteering bill.

The NDP is now concerned that not only the new restraint program, that, is, the guidelines, but also the mandatory controls set out in Bill C-73 will apply to a large segment of the labour force. In my view, the NDP bears some responsibility for this state of affairs, and leaders in the labour movement who are NDP oriented should recognize this. I say this because if the NDP has supported the anti-profiteering bill when it was originally presented, the bill would likely have been on the statute books for the past 15 months. As a result, certain elements in the labour sector might not have begun to show a tendency to go beyond even catching up with inflationary price increases and to anticipate the most hypothetically extreme future price increases in their wage demands.

[Mr. Gray.]

In other words, the NDP, in refusing a year and a half ago to support a bill which would have permitted selective controls only on prices and profits, helped create a situation in which there is a case to be made for applying selective controls on part of the wages and salaries area as well as to prices and profits.

When the Minister of Finance (Mr. Macdonald) spoke in the House during the special debate on the government's white paper on Tuesday, October 14, he attempted to answer the contention that—

—in some quarters, both inside and outside the House the government should have taken action long before now to establish some form of prices and incomes policy.

● (1210)

He pointed out—correctly, I think—that "the proposal for imposition of comprehensive, mandatory price and income controls that some urged on us 2½ years ago was very much the wrong policy at the wrong time." Of course, the government is not now proposing that kind of comprehensive, mandatory control. It is not now proposing a total freeze, followed by mandatory controls on every part of the economy as were urged by the Conservatives prior to and during the 1974 election.

The minister went on to present arguments against this kind of comprehensive wage and price control program, but he did not attempt to show there was no case at all, as I understand his argument, for a more limited form of controls over a year ago. In fact, the government itself made the case for it when the government presented the anti-profiteering bill to parliament just before the election. It did so again when it later asked the public to re-elect it so that it could pass the bill into law, something it said during the campaign it had been prevented from doing only by the irresponsible action of the two opposition parties in forcing the election.

The cost of living figures were similar in their double-digit rate of increase in most of the last six months of 1974 to the rate of increase over the past several months. One difference today, of course, is that unemployment is considerably above the level it was a year and a half ago. However, the government now has taken new action. I think it has shown the kind of leadership it promised during the election, by setting out a special economic program it thinks necessary for the well-being of the country at this time and then by proceeding to go out and sell it to the country to mobilize wide public support. It is doing this rather than simply waiting for that public support to develop solely of its own accord to the point where the government is carried along by it in a passive and responsive way.

I believe the government does deserve credit and support for the act of leadership reflected by its attack on inflation program and Bill C-73. However, I want to suggest some areas where improvements could be made in Bill C-73, which does follow the approach of the anti-profiteering bill except that it applies to incomes as well as to prices and profits. I am basing my suggestions on some of the techniques set out in the anti-profiteering bill.

There has been concern expressed in the House that Bill C-73, unlike the anti-profiteering bill, does not provide that before a firm can increase its price it must first give

advance notice a substantial period before that increase would go into effect, the result being that for the period of notice the prices in question are frozen, so that there is time for the authorities to see whether the proposed increase might be contrary to the legislation and guidelines. However, there is in fact a clause in the bill before us which, in my view, could be used by the Anti-Inflation Board as authority to require firms to give notice before they increase prices. This is clause 13(2) which says, in effect, that the board can publish a notice in the Canada Gazette requiring all firms or individuals to which it is directed to provide it with certain information.

However, I can see why some speakers feel that the pre-notification provisions found in the anti-profiteering bill are absent from Bill C-73. The language in clause 13(2) is rather obscure. I think, therefore, the clause should be redrafted to follow the clearer and more precise wording of clause 51 of the anti-profiteering bill, to make certain that the board will be able to require a substantial period of advance notice during which prices cannot be increased without the assent of the board.

The anti-profiteering bill provided that the government would have the authority to bring its provisions into effect by declaration to apply to all the firms in the sector named in that declaration. While the application of Bill C-73 is not limited to specific economic sectors as set out in declarations or guidelines, it applies only to private sector employers of commodities and services of more than 500 employees. However, the situation in a particular sector of the economy may be such that a case can be made for applying guidelines and selective mandatory controls, if not to all firms in the sector then at least to firms with a specified number of employees, but fewer than 500. In fact, the guidelines already provide something like that for one case by indicating the rules will apply to all firms with 20 or more employees in the construction industry.

There may be some sectors in which most of the firms have less than 500 employees, and therefore the effect of the prices and incomes guidelines and the mandatory controls would be more limited for them than for other sectors. Or some sectors may be of such importance and significance that all, or most firms in them should be covered in any event.

Bill C-2, the stage one competition policy bill, though approved by this House has not yet been adopted by the Senate. It is still not certain when the second stage bill dealing with the key area of mergers and monopolies detrimental to the public interest will be presented to the House, much less fully approved by parliament. Therefore, the bills are not yet available to assist competitive forces to operate in the economy. As I have said, a whole sector of the economy may be made up primarily of smaller firms. Market imperfections may mean that smaller firms may not, in fact, always face competitive pressures from larger ones covered by the mandatory controls. I doubt if consumers always will be satisfied by an answer that compulsory aspects of the program cannot ever be applied even where a price clearly exceeds the guidelines, simply because the firm has less than 500 employees.

Also, should all firms with less than 500 employees always be able to increase their prices or wages above the guidelines whenever they believe they can do so in the light of the market and competitive situations they face, and because they are not subject to the mandatory controls? Therefore, I think there is room for consideration by the government as to whether it should use the authority of clause 3(2)(v) of the bill to extend the guidelines in some of the ways I have mentioned. If so, I think the government should give its views during the course of the debate. The anti-profiteering bill provided that a declaration applying it to a sector would be in effect for up to 18 months. Bill C-73 will apply for up to three years, initially: it can apply for a longer period with the approval of parliament.

It seems to me that there is an argument for a form of parliamentary review of its application through a special debate in the House or, preferably, through committee hearings once every 12 months. The act provides for a report by the administrator to be tabled in the House annually. I think a similar report by the Anti-Inflation Board, whose terms of reference cover a much wider area than that of the administrator, should also be required. Both such reports could be a suitable basis for an annual committee study of the operations of the act.

The anti-profiteering bill said it would be an offence to withhold goods from the market in order artificially to enhance their price. I can find no similar prohibition in Bill C-73. Its absence, I think, should be explained by the government. What about the procedure for enforcing the guidelines? At first glance, the procedure under the anti-profiteering bill appears to be somewhat simpler and more direct. Under it there is no board which first must try to get voluntary compliance before enforcement action can be taken.

Instead, the director of combines, or in fact a special deputy director, would have had the authority to launch an inquiry any time he had reason to believe there had been a breach of the act, or the act was about to be breached, or any time he had been directed to do so by the minister. He could then bring the matter before a commission. The commission, after affording the parties a reasonable opportunity to be heard, could make the same kind of order as is provided for in Bill C-73.

Bill C-73, however, says in effect that before compulsory enforcement action can be taken, the Anti-Inflation Board must seek voluntary compliance with the guidelines. Who can say how long that will take? There are no time limits provided for this step. If this procedure did not work, the board could then refer the matter to the administrator. The administrator cannot take action on his own initiative; the matter must first be referred to him by the Anti-Inflation Board or by the minister. However, once the matter is referred to him he has very wide powers to carry out an investigation to determine whether the guidelines have been contravened or are likely to be contravened. If this is his conclusion, he himself could issue an order that the unlawful conduct cease and the improper gains be paid back. Bill C-73 makes no provision for a hearing of any kind before such an order is issued.

● (1220)

I believe the administrator should have wide powers to carry out his investigations to determine the facts of the situation, especially so that corporate sleight-of-hand will

not be able to disguise price and profit margin increases which are contrary to the guidelines; and, of course, decisions must be made swiftly.

However, when the matter moves from investigation to deciding that an order should be issued, I question whether the law should appear here to exclude all of what the lawyers call the principles of natural justice. These involve the right to a hearing, with the right to hear the evidence against you, the right to call evidence in reply, to cross examine and to be represented by counsel. The anti-profiteering bill used words which enabled these rights to be available before the commission decided on whether an order should be made. These rights are a fundamental part of our judicial system and our democratic tradition. It is true that the administrator's orders can be appealed to an anti-inflation appeal tribunal which can hold sittings across Canada. But one would expect there would be delays before appeals could be heard. Also, it is likely there would be additional expense, which could be a burden, especially where the appeal is on behalf of a worker or a group of workers.

It is interesting to note that the proceedings of the appeal tribunal itself must, according to the bill, be carried out in line with the principles of natural justice. However, the focal point of the enforcement procedure appears to be the making of the order.

Mr. Leggatt: They would never get a conviction, otherwise.

Mr. Gray: One wonders how often the appeals procedure could be used. The government bill should spell out more clearly the procedures which the administrator has to follow in making an order. Perhaps it could provide that the administrator could appoint hearing officers to hold brief, informal hearings before orders are made. Strangely enough, although the powers and the authority of the administrator appear to be very extensive, the words in the bill creating them seem to provide for an escape hatch which could make his enforcement activity meaningless.

Clause 20 of the bill says that the administrator does not have to make such order as he deems otherwise appropriate if he is satisfied that there are, or are likely to be circumstances which, based on the particular facts of the situation, would justify the person's contravention of the guidelines. But what could these circumstances be? The bill itself does not say. These words could enable the administrator, in effect, to create his own set of guidelines totally different from those set forth by the government.

This kind of escape hatch did not appear in the anti-profiteering bill. The anti-inflation bill provides that an injunction can be obtained to prevent a breach of an order of the administrator. However, it has no provision in it for the obtaining of an interim injunction. Such an injunction could be used to prevent the carrying out or continuing of action contrary to the guidelines during a study of the matter by the board and the later investigation leading up to the making of an order by the administrator. In contrast, the anti-profiteering bill provided the authority for the Attorney General to obtain such interim injunctions.

It would seem to me that there is equal, if not greater need under the anti-inflation bill, with its conciliation procedure preceding any enforcement action for the Attorney General, to be able to obtain an injunction to restrain the commission of what could turn out to be breaches of that law. Otherwise, throughout what may be a lengthy procedure leading up to the making of an order a firm could continue to exact what later could be found to be an improper price or profit.

I think the government should provide clarification as to the extent prices received by farmers and fishermen are intended to be dealt with under the prices and incomes program. There should also be similar clarification as to the manner and extent marketing boards are to be covered by this program. On October 16, it was reported in a Canadian Press dispatch that the Minister of Agriculture (Mr. Whelan) said in St. Jacob's, Ontario, that while farmers would be exempted from the controls, the government "expects everybody to voluntarily apply the law to themselves". But last Tuesday he said in the House:

> Some hon. members have been critical of the program. They ask how can farmers and fishermen be exempt from the guidelines when the operations of marketing boards must obey the guidelines.

He went on to say:

> There is a simple explanation for having marketing boards under the guidelines and not the farmers.

A Canadian Press dispatch the day before yesterday reported that the Prime Minister (Mr. Trudeau) said in Assiniboia:

> The controls will not apply directly to farmers, small businessmen and others who could only be controlled by a vast bureaucracy.

He went on to say:

> We are going to trust the farmer and fisherman.

These words, like those of the Minister of Agriculture in St. Jacob's, Ontario, could imply to some at least that the guidelines—that is to say, the rules for acceptable price and salary increases—would apply to farmers but would not be enforced against them by the compulsory selective controls provided for in Bill C-73. However, what do the guidelines set out in the white paper actually say about this? On page 18 we see the following, "prices received by farmers and fishermen are exempt from the guidelines". You can see why I say some clarification would be helpful so that we would know whether the words of the Prime Minister in Assiniboia reflect current policy, or whether the words I have quoted from the white paper still apply.

Also, the Minister of Agriculture appeared to say in the House on Tuesday that marketing boards are covered by the guidelines. He also said at that time:

> They cannot inflate prices beyond a fair level because the National Farm Products Marketing Council is the watchdog over national marketing boards and there are representatives of consumers, producers and business on the present council which demands that prices paid to producers be based on the cost of production and the reasonable return for their investment.

The fact is, however, that members of the council who are not linked with the producer interest are only a minority of its membership. One can ask: does that council therefore, have the necessary balance in its membership to provide the reassurance to the general public on this that is necessary? Also, the council deals with only a handful of boards set up under the federal National Farm Products Marketing Agencies Act. There is a much greater number of boards operating solely under provincial jurisdiction. The white paper says only that their operations will be

discussed with provincial governments to ensure they are consistent with the guidelines. It is not clear whether this discussion will be undertaken by the government itself or the Anti-Inflation Board.

Surely, the marketing boards should be subject to the guidelines, and the monitoring of their adherence to them must be handled by the Anti-Inflation Board in the same way as any other segment covered by these guidelines. If marketing boards are subject to the guidelines, they could increase their prices only to the extent necessary to pass on actual increases in cost. But the major cost to them is the price they pay farmers for the product in question. A major factor in such a price is the return to the farmer for his efforts and his investment, and not just the cost of inputs he has to buy, such as the purchase of machinery and seed. This is how the cost of production formula used by the Canadian Egg Marketing Agency is structured to determine egg prices across Canada. One of the costs permitted in that formula is a return to the egg producer which some say could, under that formula, exceed $42,000 a year.

A requirement that a board's price-setting must be consistent with the guidelines would be meaningless if the board could always pass on any increase in the farmer's profit margins as one of the costs which the retailer could then include in higher prices for the consumer.

The Food Prices Review Board was dissolved and disappeared as the Anti-Inflation Board was set up. The latter board is operating temporarily under the authority of the Inquiries Act until Bill C-73, giving it more permanent status, has been adopted. The public may well believe that the Anti-Inflation Board has, or will have all the powers of investigation, report and recommendation of the Food Prices Review Board. However, I submit that this does not appear to be the case when it comes to food prices.

The Food Prices Review Board could get at all the facts behind food prices and could look at any part of the food chain from farmer to processor, to distributor, to retailer. It could look at prices charged by farmers and the inputs that went into them to see whether those prices were justified. However, it would appear that the words of the guidelines, taken together with the words of Bill C-73, mean the Anti-Inflation Board cannot look behind the prices received by farmers and fishermen for their products in the same way as could be done by the Food Prices Review Board.

● (1230)

According to Bill C-73, the Anti-Inflation Board can only look into matters, and I quote, "in relation to the guidelines." These guidelines do not cover prices received by farmers and fishermen. In fact, one could ask why the guidelines should not be applied on a voluntary basis to farmers and fishermen in the same way as for everyone else. This would permit the Anti-Inflation Board to carry out the same kind of study of food prices at all levels, in the same manner that the Food Prices Review Board had been able to do effectively in the best interests of consumers and Canadians generally.

I think farmers themselves would want to be able to confirm to the rest of the Canadian people, through the studies of the Anti-Inflation Board, that they are doing their part in the restraint program and that they are following the price guidelines even though they are, understandably, exempt from the compulsory features of the program. However, the government appears to be saying not only that farm prices should be exempt from the guidelines, but it also seems to be saying in the chapter of the white paper entitled "Structural Policies" that there must be allowed potentially open-ended price increases to farmers for their products, including increases in profits, in order to ensure an adequate supply of food.

On page 10 of the white paper we find this statement:

> —to ensure adequate supply of food, farmers must be assured of a rate of return commensurate with the large investment of labour and capital essential to agricultural production. This return should come from the marketplace, but producers must be given some protection against large losses arising from highly variable and uncertain markets.

Of course farmers must receive a fair rate of return, but so should workers and small businessmen. Where is the evidence that ever increasing farm prices are required to ensure an adequate supply of food in Canada? The problem, instead, is to have an adequate supply at prices which are fair to both producer and consumer. There is no evidence that there are basic shortages of foodstuffs. The evidence is just the opposite. If we were facing such shortages, why would current government policy provide for cutbacks in production, in other words, for quotas of less than productive capacity for eggs and dairy products?

The fact is that there was such a sizeable production of eggs, even at the lower prices which prevailed some months ago, that the government marketing scheme was amended to reduce quotas for egg production, for example, to only 62½ per cent of capacity in Ontario. A recent press report said that there has also been such a sizeable production of industrial milk products at current prices that the government is likely to reduce existing quotas for industrial milk production.

Also, why should the return come entirely from the marketplace? Do these words mean that the government will be phasing out its present subsidy on powdered milk and the other subsidy it pays to farmers on industrial milk? In other words, is it intending to eliminate them as it eliminated the subsidy on fluid milk in the fall of 1974? Having farm prices come entirely from the market means that the burden of higher food prices will fall particularly heavily on lower income Canadians. They pay a higher proportion of their income for foodstuffs than Canadians who are better off. I believe there continues to be a place for properly constituted subsidy programs, since they come from government revenues which are raised through our tax system, which is based on the concept of ability to pay.

Also, what is the rate of return to the farmers the government is talking about in the white paper? How will the government ensure that it is fair to the consumer as well as the producer? It does not say so specifically in the white paper, but surely this is a job for the Anti-Inflation Board. This key section of the government's white paper makes no reference to fair prices for consumers at all. The word "consumer" does not appear anywhere in any of the portions of the white paper dealing with food prices. Does this mean—I hope it does not—that the government has abandoned the commitment on food policy it gave in the throne speech just before the last election and which formed part of the program on which the public based its

decision to re-elect the government? This commitment was that it would develop a food policy, the objectives of which would be neither "unduly low prices for farmers" nor "unduly high prices for consumers," and those I think are the exact words. Also on page 10 of the white paper it is stated:

> Many non-food prices may have become unduly rigid as a result of government policies. The federal government intends to focus with some urgency on identifying ways in which supply bottlenecks and price rigidities in its own areas of responsibility can be reduced.

Why does the government express concern only about undue rigidity of non-food prices? What about the rigidities in food prices caused by the government's own policies? The rapid increases in egg and dairy prices over the last several months are considered to have been one important cause of recent increases in the cost of living. This is the very situation the government is now trying to deal with through its anti-inflation program. Still, I am glad the government is presently recognizing the need of having policies to deal with structural problems in the economy which contribute to inflation, as I called for this kind of action in a speech in this House over a year ago.

Why does the government apparently consider higher productivity important only for the agricultural sector, so that to get it the government will allow farmers any return they can extract from the marketplace? Surely, it must also be concerned about maintaining and improving the productivity of other sectors of the economy as well. How does the government intend to encourage and maintain productivity in the non-farm portions of our economy?

I suppose one argument which could be made for exempting farm prices even from the voluntary application of the guidelines and the review procedures of the Anti-Inflation Board is that farm prices are affected, and in many cases set, by international factors. It is argued that, being internationally determined, there cannot be lower prices for many farm products in Canada than those one could obtain for the same products in the United States or elsewhere on world markets. However, farm products are not the only ones produced in Canada which trade internationally and for which Canadian prices are therefore the same as world prices. The guidelines state generally that Canadian prices of such non-agricultural products should conform to the price guidelines, and export prices should be at world levels. In other words, there should be a two-price system, and if a two-price system is not practical, then the guidelines say the government will impose a levy to the extent the Canadian price would be in excess of the price permitted by the guidelines.

Why should there be a two-price system for non-farm products traded internationally, and not for foodstuffs? Further, if farmers increase their Canadian prices to match international prices, why should they keep the entire gain any more than the producer of a non-farm commodity whose goods trade internationally?

The government has not made a definite statement in its white paper as to its objectives for reducing the rate of inflation over the next three years. One could say that these objectives are implicit in the wage targets of 8 per cent for the first year, 6 per cent for the second year, and 4 per cent for the third year. However, there is no definite statement that these are also the government's over-all objectives for reduction of price levels. In fact, if the wage targets are reached, it will not necessarily be the case that the cost of living will decline to the same level. The government admits this in saying that where the cost of living exceeds the basic protection factor in any year, the excess will be added to the basic factor in the next year.

The government intends to exempt increases in the cost of production of energy and some aspects of housing, as well as farm prices, from even the voluntary application of the guidelines and the monitoring which this would entail on the part of the Anti-Inflation Board. This implies possible rises in the cost of living and price levels generally, in spite of wage restraints. It could be argued that inflation was running at only some 7 per cent for several months earlier this year, and that it was government policy which brought about increases in energy costs and in the prices of certain agricultural products which helped to lift the cost of living to double-digit levels once again. A statement of the government's target for the general level of prices over the next three years would help reassure workers that the government is as interested in dealing with prices as it is with incomes.

As I have said, to be successful, the attack on inflation program and the prices and incomes policy requires the support of all Canadians. This means, in particular, that they must be equitable and must be seen to be equitable by wage earning Canadians. It has been suggested that the poverty line for a family of four today is at least $7,000 annually. I think it would be fairer for low income Canadians if the floor below which wages could be increased without reference to the guidelines were raised in a fairly substantial way and the income level to which the floor applies raised as well.

● (1240)

The enforcement of the legislation must be even-handed when it comes to its application to prices and profits and to wages. It cannot be administered in a way which appears to be severe when it comes to wages, and lax when it comes to prices and profits. I think the government could argue that the guidelines themselves are tougher when it comes to prices than they are for wages. The guidelines spell out the percentages by which wages will be allowed to increase. The basic rule for prices, however, is that they can increase only by the amount required to cover actual increases in costs. There is no automatic percentage increase allowed for prices, as for wages. But to make this concept meaningful there must be as strong an enforcement procedure on the price and profits side as on the wage side.

There will be transitional difficulties to be dealt with in administering and applying the controls program as it gets under way. I think that with the application of common sense, sensitivity and good will, these difficulties can be worked out and the program successfully applied. But the program must deal adequately with major areas of expenditure for the average Canadian, including food, housing and energy. So far, the government's program does not appear to reassure individual Canadians to the extent I think it must that the government will do what it reasonably can to restrain price increases in these and other key areas of costs for them.

The government must also be even-handed in its efforts to deal with inflation and recession. Both of these problems are still with us. It would be wrong to overlook the fact that we still have 600,000 Canadians out of work. We must have programs that deal at one and the same time with inflation and recession. Measures to increase production and productivity help solve both the inflation problem and the recession problem, since they touch on a fundamental cause of inflation, an imbalance between the supply of goods and services and the demand for them.

Ultimately, it is more productivity, rather than controls and restrictions, that will get us out of our present difficulties. Controls can, at best, give us a breathing space to take steps to restructure our economy, to take steps to deal with unreasonable expectations, and to take steps to deal with blockages and rigidities whether they are in the private sector or in the public sector.

Let me say that our aim should not be simply to tighten our belts to limit our demands to the capacity of a stagnant economy. Our aim must be to get our economy moving on a path of real growth, and thereby enable all Canadians to share in the increased prosperity that would result. The government's prices and incomes policy is a key part of such an effort. It must be balanced by effective programs to deal with unemployment and slack in the economy. This is what the public expects in terms of leadership from the government. The Canadian people will do their share when motivated by the kind of leadership the government pledged in the last election.

Mr. Speaker, Bill C-73 deserves the approval of this House on second reading. With the improvements and clarification that can be provided in committee, the bill will also deserve the final approval of this House and, what is more important, the final approval of all Canadians.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, before I proceed with my speech I should like to comment on the speech of the hon. member for Windsor West (Mr. Gray). I think many of his comments and suggestions are valuable, useful and correct, though I do not share his enthusiasm for the anti-profiteering bill—now, happily, defunct. I can understand his view—he being the author, or father of it to some extent in the last parliament—but it was not much of a bill. I do not think we should spend time arguing about that, however.

I think I heard the hon. member correctly when he referred to the fact that certain details of the enforcement procedure made enforcement ineffective. In my view, the enforcement provisions are an absolute key to the efficiency and effectiveness of any legislation, more particularly this sort of legislation. If you do not have effective enforcement, if you have long delays, if you have inadequate procedures to institute the necessary actions, the whole scheme is bound to collapse.

I would have thought the logic of the hon. member's remarks would bring him to what might be a painful conclusion for him: even that he would be bound to join those in this House who say that an ineffective bill is no solution to the inflation problems of this country, and we should vote against it unless and until we have a bill with adequate enforcement provisions in it. That seems to me to be the logical conclusion, rather than starting with high praise for the bill and its excellent intent, saying he is going to support it, and then giving what I think are effective reasons why we should not support it.

I agree with my colleagues who have said this is basically a wage and salary control measure. I agree that it does provide some pretence of control of profits and prices, but I think it is fairly ineffective. The pretence that there is effective price control in this legislation, or spelled out in the government's white paper on the subject, is completely without foundation. I, personally, would like to repeat the view which I believe the hon. member for Oshawa-Whitby (Mr. Broadbent) expressed, that the scheme is unfair and inequitable on the one hand, and unworkable on the other.

I do not intend to repeat all the arguments that have been made to support this proposition which was very clearly spelled out by my leader and other colleagues, but I want to deal with one subject. I think we are being asked, when presented with this bill for second reading, to give a blank cheque to the government to abdicate our functions. There is practically nothing definite in the legislation. It is just a framework within which we tell the government to go ahead and prepare a scheme. I do not think it is good enough that parliament should be put in that position. This is an extremely important matter and we are considering extremely important legislation. I think we should have a very clear picture of some form of draft regulations, or at least an understanding that until the regulations, which are the key to the scheme, are ready, the bill would not be proclaimed.

This paper "The Attack on inflation," vague as it is in spots, while it is helpful, in my view is not law at all. It is just a statement of the intentions of the Minister of Finance (Mr. Macdonald) on the matter. Until we have some indication of what is going into the regulations, we will not know what we are imposing upon the people of Canada; we will not know what we are legislating about.

Certainly the crisis of inflation is no surprise. It is not something that loomed on the horizon a few weeks ago; it has been well known for years. It is worldwide. I would have thought that in the interval the government could have worked out prospective regulations to enable it, when it became necessary to come before the House and ask for this power, to explain clearly the power it was seeking. In my judgment, it would be irresponsible for parliament to pass this bill in its present form.

● (1250)

I now come to the second part of my argument. The major shadow overhanging this bill is the constitutional issue. It has become fashionable to treat the constitution as something which interests lawyers, as something about which the law officers of the Crown consult when the government wants to do something in order that they may assure the government that it can do as it wants. But we live under a constitution. We live under a federal system in Canada which spells out the functions of various governments. The courts have determined questions of constitutional jurisdiction. In the final analysis, the assessment whether this legislation is constitutionally valid or otherwise will depend upon the Supreme Court of Canada. I suggest that the constitutional arguments have not been answered adequately.

There are serious reasons for concern. I will not say what the Supreme Court of Canada may or may not decide. No one can possibly know. The court itself will not know, I think, until confronted with the legislation and the necessity to decide. As I say, there are serious doubts about this bill. Any lawyer, any sort of constitutional expert, will be aware of what happened after the First World War. The federal government of the day passed legislation which had a serious impact on prices. It was known as the board of commerce and fair prices act. The government enacted this law which dealt with prices in a way not altogether dissimilar from what is being proposed today.

The Supreme Court of Canada, in a decision approved over the years by the judicial committee and referred to by the Supreme Court of Canada on many different occasions, reaffirmed that there was no right of intervention by parliament in something which was prima facie within provincial jurisdiction under section 92 of the British North America Act merely because there was some declaration that the bill was for the peace, order and good government of Canada. That is the sort of language one reads in the preamble. The federal act was struck down by the court. I do not say that decision is necessarily final, as circumstances may not remain the same, but the decision has been reaffirmed and is a major obstacle to this bill.

I am aware, as others in the House are, that the tendency has been to interpret section 91(2) of the British North America Act, dealing with the regulation of trade and commerce, in a much broader way than was the case some years ago when the judicial committee was our only court of last resort on constitutional issues. I know that the provision may be expanded, and I am sure excellent arguments can be put forward to justify the law we are considering under the regulation of trade and commerce head. But the constitutional validity of this bill is by no means clear or certain.

I find particularly distressing something the government has not done. In the preamble to the bill there is no indication that the government treats this situation as a national emergency. It is well recognized that if something imperils the future of the country, that matter comes under the peace, order and good government provision of the act and would transcend purely provincial regulation. That is well known. It is also well known that the courts looks at the preamble to a bill to determine whether it was enacted in response to some dire emergency. What do we find when we look at the preamble to the bill now before the House? I think the right hon. member for Prince Albert (Mr. Diefenbaker) touched on this point.

The first paragraph beginning with "whereas" speaks of inflation. It says it is contrary to the interests of all Canadians, that the containment and reduction of inflation has become a matter of serious national concern, and that therefore it is necessary to restrain profit margins, etc. But there is no word of an emergency in the preamble. It so happens that such words, or words similar to those in the preamble, have been considered by the courts and the courts have decided that they do not justify federal intervention into the provincial domain. You cannot say that a great many Canadians are concerned, or that something is a matter of serious national concern, or that if affects all Canadians, and bring it within federal competence unless it is within one of the specific heads of section 91. If the matter is within section 92, Canadians must expect the provinces to have authority with respect to it.

The question is, is there a clearcut case of emergency? I am not saying there is no emergency which would justify government intervention. I think the ravages of inflation are so serious and so pervasive that they threaten our whole economy. I argue strongly that there is power to act under the peace, order and good government section. Yet I regret very much that the preamble to the bill, a preamble which the courts will examine, does not indicate that the government itself is treating the situation as a national emergency.

May I call it one o'clock, Mr. Speaker?

Mr. Deputy Speaker: Order, please. It being one o'clock, I now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Brewin: Mr. Speaker, this would be a good opportunity for me to abandon the party line for a little while.

Some hon. Members: Hear, hear!

Mr. Brewin: However, I really do not intend to do so. I was pointing out before lunch that one of the troubles with this legislation is that it envisages a total abdication of parliament's control over highly important legislation. The only serious thing there will be is regulations passed by the governor in council. We do not have any draft regulations; we are asked to say, "You have authority to handle this in any way you like." That is just not good enough. Some draft regulations should have been prepared which would fill in the substance of the legislation we are being asked to pass. It is not healthy for parliament to give blank cheques to the government on a matter of this sort.

The second point I was trying to make is that there is a serious cloud over this legislation by reason of the question of the constitutionality of the bill. This is not just a superficial matter to be shrugged aside or passed off by saying, in a vague way, that some of the law officers think it is all right. There is a formidable case for doubting the validity of the bill. It is not only a question of the final decision; it is the effect on the whole process of effecting the purpose of the legislation.

It is fairly obvious that ordinary wage earners and small businesses are not going to run to the courts to seek delays or to get involved in constitutional issues. That is a much too expensive business for them. However, the attack may well come from some interests who are dissatisfied with the guidelines as a whole and can use the courts and the constitutional issue that is involved for postponing the effective application of the act in their particular cases. It is one more instance where, unwittingly no doubt, the bill leans in favour of those who are in a strong position and against those who are in a weak position.

Apart from the constitutional issues, there are reasons for doubting the effectiveness of the legislation. Before I pass from the constitutional issue, I would say that in a matter of this sort which is seriously in doubt, the government should have referred it—and, indeed, still should—to the Supreme Court of Canada in order to set aside these real doubts as to their powers. They have not done that. They have not drafted the legislation or its preamble in a form to indicate there is a real emergency. That will seriously affect the act as a whole.

There are many other reasons for doubting the effectiveness of the provisions, particularly as they purport to apply to price control. First is the uncontested fact that instead of a direct control over prices, which might be enforceable even though it is not particularly easy, we have some indirect formula of controlling prices through the control of profit margins. In my judgment, that is not the way to control prices: it brings into the equation a lot of highly obscure and difficult accounting questions. Again, it is an opportunity for those who are well organized to get the best accounting advice to escape the provisions of the act.

Mr. Broadbent: Not to mention lawyers.

Mr. Brewin: I did not mention lawyers because in this field the accountant is vastly superior to the lawyer. There may be a few lawyers who are up to accounting standards. I was a little shocked to hear one of my colleagues in the House the other day say that any lawyer worth his salt would know how to falsify the books. Having practised law, I knew quite a few lawyers who were certainly worth their salt, but at no stage of their career did they ever dream of stooping to the practice of falsifying books. However, there is the question of effectiveness by reason of the failure to deal directly with price controls. I know they are mentioned in the bill. However, in the white paper we received it is fairly clear that the present intention of the government is to deal indirectly with prices through the attempt to control profit margins. There are many difficulties involved in that.

In order to initiate any sort of enforcement proceedings, as I understand it there must be an investigation by the Anti-Inflation Board, and I think it will be a miracle if they are not soon swamped with a tremendous backlog of cases. This would be another cause of delay. The individual consumer or citizen, or group of consumers or citizens, has no power whatever to initiate proceedings. The administrator, who is given the main function for enforcement, can act only on advice or on a report by the Anti-Inflation Board or the minister. That is wrong. Even under the old combines investigation acts—although they were not too effective—there were provisions for groups of citizens to initiate proceedings. Experience has shown that to be absolutely necessary. Such a provision should certainly be in this bill. In addition, after the administrator has acted on the advice or report that is made, no doubt after fairly lengthy investigation, he is given certain powers. When his powers have been exercised, they are subject to appeal to an anti-inflation appeal tribunal. Following that procedure, if that is not enough, there is a possible review by the Federal Court.

● (1410)

All of these weapons are weapons of delay, and they are all available to those with the means and the will to try to disrupt enforcement of the act. The machinery that is provided invites delay and obstruction, and this will lead to the ineffectiveness of the whole scheme. I am not saying that there should not be some form of appeal procedure, but I am saying that the procedure is unduly elaborate, quite unnecessarily so, if you really want effective enforcement.

Unless people have confidence that these measures will effectively control prices, they will not get very much public support. I do not think wage earners will be enthusiastic about supporting the measure when they see inflation creeping on notwithstanding the legislation. There are so many exemptions and potential exemptions in the proposed legislation, some inevitable perhaps, that one has serious doubt whether anyone could honestly say that they believe the legislation could be effective.

First of all, I gather that firms with less than 500 employees are not covered under the mandatory provisions of the bill. Secondly, farm and fisheries products are exempted from the provisions of the bill—and this will affect food prices. That may be inevitable, as it may well be inevitable with the provision exempting imported products. When the government says it cannot, or will not control food prices directly, I am afraid we are getting into a situation where confidence in the measure is almost impossible.

As for energy, my understanding is that the federal government proposes to allow the price of oil to rise toward the international price by reason of the provisions of the Petroleum Administration Act. This is another huge gap in the effectiveness of anti-inflation legislation. For example, Ontario Hydro has asked for and received approval of a 27 per cent increase. I understand that this increase is under review by a committee of the Ontario legislature, but nevertheless there is the real prospect of Ontario Hydro receiving this increase. This is one of the organizations that has great influence on prices. Both industrial and consumer use of energy is vital to the maintenance of stable prices, yet the exemption is provided.

There are other exemptions. One group of teachers is covered, another not, by accident of date when the last agreement was signed. During the first day or so of this part of the session we were told by the Postmaster General (Mr. Mackasey) that the postal workers were not really covered by the act, though I think other members of the government said that they were. In addition, interest rates and financial institutions generally, such as banks, are more or less exempt from the act. A large field of insurance is exempt.

As for rents, I understand the provinces are trying to work out a joint method of controlling rents. The government proposals will allow some flexibility, which perhaps is necessary and right. But if this flexibility varies from province to province, it will just be one more inequity. As for new structures the rents of which have not yet been established, these will be exempt for five years after date of completion; that is, if rent controls last that long.

There is one clause in the bill which I do not know how to properly interpret. It is the clause which refers to the historic relationship between closely related groups of workers or employees. They are not affected by the legislation and an increase can be given under the guise of historic relationship. I do not know how many historic relationships there are, but I would think there are very few employees anywhere who are not historically related to some other employees in a closely related field. The extent of this gap in coverage is not made clear.

The coverage of the legislation, the scope of the exemptions, and all other matters which presumably will finally be written into the guidelines are not made clear. Even if they are clear, I suggest that no firm over-all plan to stabilize prices is proposed. If prices are not stabilized, we cannot expect wage earners to accept wage controls. These controls would hit particularly hard at people like pensioners, those not earning an adequate minimum wage, those who have no union to bargain for them. These are the real victims of inflation, yet apparently there is no measure in the legislation to assist them. In my riding there are many old age pensioners who will be asking me, while prices continue to rise, as undoubtedly they will, what protection they have. I know there is a cost of living escalator; my colleague from Winnipeg North Centre (Mr. Knowles) has frequently explained this and I am not going to take the time to detail the matter.

Looking over all these different points, Mr. Speaker, I am afraid that the government has come up with an inadequate measure to tackle the evil at which it is aimed. I am afraid there is no clear plan to enforce price control to balance attempted enforcement of wage control. As a result, I believe that the longer we pursue this matter, the more dissatisfaction there will be. It is fine to talk about consensus, and it would be nice to have consensus about what we should do to combat inflation, but we cannot have consensus on the basis of a lopsided control that benefits one group and punishes another.

Lastly, let me mention the positive aspects to which reference has been made previously. If we are to deal with inflation, should we not do something about the scarcity of housing? In my constituency, escalation of rents is the most serious concern of many elderly people and people on fixed incomes. A tragic situation has developed, the solution to which is not controls. With a shortage of accommodation within the price range that people can afford to pay, whether by way of rent or mortgage, controls will be evaded. We saw this during the last war when under-the-table payments were made to get people in or out of accommodation. All sorts of indirect methods were devised to extract higher rents from people who were desperate for housing because of the shortage.

One thing we must do if we are really going to solve this problem is provide more housing, and a large portion of that must be public housing because the private system of providing housing is not meeting the needs of the Canadian people. I know the Minister of State for Urban Affairs (Mr. Danson) says he has some great scheme up his sleeve, and I will be interested to hear what it is, but if it is anything on a par with what he has produced to date or, indeed, what was produced by his predecessor, it will be just another scheme for giving a little bonus to the people in the top one-tenth of the income scale in order that they may buy houses that are far too expensive for the average Canadian to have any possible interest in.

[Mr. Brewin.]

● (1420)

I believe that to produce an unworkable and unbalanced scheme today is a sham and a fraud perpetuated on the people of Canada. We have a real problem that must be solved, but we cannot solve it in the way this bill suggests. It is for these reasons, and the many excellent reasons advanced by my colleagues in the course of the debate, that I say the only proper thing to do is reject this bill and try again.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, since the Prime Minister of Canada (Mr. Trudeau) spoke on television on October 13, 1975 to announce that the following day he would ask Parliament the authorization to set strict controls on price and income increases, we have heard many comments which were not always very favourable.

The next day, on October 14, the Minister of Finance (Mr. Macdonald) introduced in the House Bill C-73, An Act to provide for the restraint of profit margins, prices, dividends and compensation in Canada. This legislation, which I would say stems from forced voluntarism, has given rise to various reactions throughout the country. The Acting Prime Minister (Mr. Sharp) explained at the beginning of the sitting on October 22 that the absence of a few ministers was justified because they were travelling throughout the country to explain the provisions of Bill C-73.

I hope they will be welcomed everywhere, since sacrifices must be generally accepted by the people in a period of inflation created by a financial system which does not properly take into account the economic conditions of the time.

A Montreal newspaper reported on Wednesday, October 21, that the Minister of Labour (Mr. Munro) had launched a crusade to explain the new restraint program and that on his arrival at the meeting place in Winnipeg, he had been received by demonstrators who seemed more or less prepared to listen to his explanations. It must be added that on that occasion he met more than 750 workers who were concerned about the probable loss of their job.

On Tuesday, October 21, *La Presse* published an article headlined this way: Anti-Inflation guidelines generate serious injustices. Here is the comment that followed:

> Union leaders seem to recognize the need for restraint one way or another to fight inflation. However, they are concerned about the injustices that the ceiling on wage increases will generate.
>
> Here are a few examples: Chefs working for the federal government can be grouped either with hospital employees or with general services employees; the former have obtained last spring a salary increase of 21 per cent but the latter are negotiating a new contract and thus will not be able to obtain more than 12 per cent.
>
> Forest workers with the International Woodworkers of America in British Columbia have just signed a collective agreement which provides for a 30 per cent wage hike over the next two years; their friends of the paper industry refused to sign their collective agreement because they hoped to obtain still more. Now, they will have to be satisfied with 12 per cent.

Postal workers have just turned down the conciliator's recommendation for a 38 per cent wage boost over a 30-month period, the equivalent of the increase postmen obtained last spring.

Very often, groups of workers have been without collective agreements for many months; the postal workers' agreement expired at the end of 1974, the nurses in Quebec have been without a contract since June and the social workers in Alberta have been expecting higher pay since March.

The October 20 issue of the Montreal daily *Le Devoir* mentioned, on page 6, that the General Council of the National Federation of Quebec Teachers had decided last weekend to ask the CNTU to organize, together with the other trade unions, a counterattack against the anti-inflation measures.

In an atmosphere such as this, one can easily imagine the problems the chairman of the new board and his assistant will have to face. A final decision apparently is still pending on their respective salaries, but I have great reasons to believe that both will have a lot of work to do. I have no doubt about the competence of the chairman who has to his credit a lot of experience in the business field. I hope that his generally smiling approach will survive the inevitable problems which will certainly arise during his term of office. In his televised speech, the Prime Minister mentioned that people all over the world are caught in the grip of the revolution of rising expectations.

● (1430)

We have come to the point where we think that, by virtue of some magic formula, we can provide ourselves cheaply and in plenty, while constantly improving our standard of living, with food, energy, housing and government's services. We feel that all that is due to us without any respect for the collective increase in goods and services. That is the point the Prime Minister made after having advised every Canadian to live within their means.

However, I share the opinion put forward by newspaperman Normand Girard who wrote on October 18:

Mr. Trudeau, it appears, has overlooked in his guidelines one of the most important factors responsible for the cost of living hike in Canada: publicity.

How could such an exhortation by Mr. Trudeau, be it televised across the country, compete with the constant exhortation to spending imposed on Canadian homes by the manufacturers of everything consumable?

At one time we are shown the most beautiful car, at another time we are shown the biggest car. Later we have the latest in furs before our eyes;

Department stores go as far as offering consumers credit cards by telephone. In short, everything in our society of consumerism encourages people to live beyond their means.

Therefore, would it not have been consistent for the Canadian government to include some restrictions on advertisement which encourages spending?

The "ordinary people" who will choose not to abide by the anti-inflation measures will be put in prison, but television, radio, newspapers and magazines will be allowed to continue in all impunity to encourage them to do so.

Is not the ordinary person sometimes right to question the consistency and seriousness of his governments?

On October 14, here in the House of Commons, my colleague from Bellechasse (Mr. Lambert) quoted the definition of the word "inflation" given by the Larousse dictionary at page 543:

Inflation: Déséquilibre économique caractérisé par une hausse générale des prix, et qui provient de l'excès de pouvoir d'achat de la masse des consommateurs (particulier entreprises . . .) et des services mis à leur disposition.

And he added this:

As members of Parliament, we have to ask ourselves very seriously, not facetiously, but as responsible people, if there is really inflation in Canada. Is there an excess of services offered to people, is there an excess of potatoes, tomatoes, pork, milk, butter, cheese?

In the same speech to the House, the hon. member for Bellechasse pointed out the increase in the national debt since 1867: $30 billion to October 1, 1973, and $58 billion to July 1, 1974. Realizing that situation of constantly heavier indebtedness, one can easily understand that the problems which confront the government are mostly money problems. This makes it that much more difficult to understand why supposedly competent administrators are still hesitating about making the required changes in the monetary system which is the cause of most of the difficulties we are encoutering.

Repeatedly, at the House, I have said that any progress in our productivity should bring in dividends to the shareholders of Canada, the Canadians. To that end, the government should, on behalf of the company, issue and distribute new money to finance new activities.

But when the financing of progress is left to the banks which loan with interest, the credit so created, progress, can do nothing other financially than become a debt.

We have reached the stage where we no longer hear of the possibility of paying back the debt of the country, too high a percentage of the incomes being used to pay off the interest that amounts to over $1 billion a year.

The government of the country does exactly what the law normally prevents any citizen from doing—not to pay his debts. Our learned politicians can claim they are knowledgeable but they seem to forget that the modern monetary system is first a system of accountancy and that the first quality to be expected of it is the exactness of the volume of credit in circulation. Since this credit is the means of payment, it is clear that it must bear some relation to the goods available. We borrow in 1975 to pay for debts made several years ago. Of all the dictatorships enumerated in history, of all those at least which have effects today, the most important is certainly the dictatorship of money. The moment a country enters civilization, it comes under the domination of the financial dictator. And this kind of dictatorship made more victims, imposed more deprivations, caused more sufferings, washed away more talents and broke more homes than any other.

It caused more moral and material ruins than any war, however disastrous in history. Parties that follow one another to power do not change the situation. The government seems to exist for the sole purpose of enforcing taxation, restrictions and hardships, even though our country has all the required resources for everyone to live at ease.

The same monetary policy is imposed by the same system to the leaders of whatever party. It does not mean that financiers invented political parties, not at all. But once political parties were established with election funds, meagre at first, then replenished by the protégés of public contracts financiers saw this as an excellent means to

control public matters. Election funds took tremendous proportions, but they also created obligations. Any financial credit originates from the bank by minting national credit, on behalf of government, on debentures; the bank makes the government—whatever its color—a perpetual debtor. By minting the capacity to produce of big companies to which it advances credit created in this way the bank joins those who feed the election funds to get the protection of the law. We see that directly or indirectly the banking system places the government under trusteeship; it would be time I think for people concerned for the good of this country to find other ways of doing things.

The media inform us that the city of New York is threatened with bankruptcy because of a system of this kind. It is serious enough to think about it. We heard here in this country the words "economic crisis" brought about by financiers through the stock market. We had deflation, inflation, regression—and I forget some—but in the final analysis it is always a money problem. The demoralizing situation that prevailed in 1929 left unforgettable traces which have repercussions today. Politicians of all stripes can no longer count on people resigning themselves to accepting their unforgivable negligences; they will have to realize that the present financial system is obsolete, that it must be replaced with a system aimed at serving and not enslaving the human being.

Yet there is a way to foresee a logical solution with simpler methods. Unfortunately, our politicians are looking for complications; with a multitude of means available to them they multiply difficulties, no doubt to show the flexibility of their imagination.

● (1440)

However, we are facing all kinds of problems: poverty, strikes, bankruptcies, thefts, crimes, unemployment and our leaders continues to grovel before financiers, the masters of this unthinkable situation: wealthy country, poor inhabitants.

Last October 17 my colleague from Abitibi (Mr. Laprise) submitted to hon. members of this House practical suggestions based on a retail discount formula. He said:

> Our industrial system rests on work already done by a number of generations. We, as inheritors of that complex system of production, can view it as our real credit.
>
> Unfortunately, we cannot produce at full capacity because of the credit formation monopoly held by the banks. The real credit must be "monetized", so the people can reap now the benefits of their inheritance. It must achieve the growth needed to produce the maximum amount of goods and services required.
>
> The instrument capable of monetizing our real credit is the people's bank, that is, the Bank of Canada.

Why should we pay in 20 years from now three times the value of what we received only once? Why should we pay $1 million 20 years hence for a school that cost us $500,000 when it was built? Is it because financiers wish to make us work 75 per cent of our life just for them? We build a school that costs $500,000 and we pay back to banks the value of more than two schools. One school for us and two schools for banks, one mile of sidewalks for us and two miles of sidewalks for banks, one water supply system for us and two for banks: 40 to 70 per cent of municipal budgets are used to pay interests to banks. Banks are growing bigger every day while people are growing thiner. Financial institutions are gnawing at them like a cancer.

[Mr. Dionne (Kamouraska).]

I take this opportunity to quote here the founder of the economic philosophy of Social Credit, Major Douglas:

> Social Credit is a new strategy for an old battle between the will of the tyrant to dominate and the will of the individual to be free.

The government should by all means aim its decisions at altering a system under which we are constantly running into debts—

Mr. Boulanger: In what year did he say that?

Mr. Dionne (Kamouraska): Major Douglas started saying that over and over from the moment he understood the shortcomings of the present system. However, should I repeat that 25 times, I don't think the hon. member would understand. It would take him 100 times to understand.

An hon. Member: He is too thick-headed!

Mr. Dionne (Kamouraska): Otherwise we will find ourselves in the midst of a bureaucratic nightmare which will bring about more nuisances than positive results.

We have just realized that four new members will assume full-time responsibilities on the Anti-Inflation Board. Two chartered accountants, one of which sat on the committee on Bankruptcy... He in the right place: if things do not work out he will at least know what it is all about. Another one was a member of a royal inquiry commission. He is probably quite experienced in the matter of bureaucratic procedures. The third one is a former minister of social affairs, a Liberal well used to putting social welfare recipients on short allowances. The fourth was born and studied in Britain. He has already dealt with working class activities, and he will hopefully remember that when it is time to make practical suggestions about workers wages.

The salaries of those people will probably not be affected by the restrictions of the new anti-inflation plan. They will feel quite comfortable to determine the levels of food prices and workers wages in Canada as they pave the way for a type of socialist economic dictatorship.

In an excellent speech on October 22, the Social Credit member for Shefford (Mr. Rondeau) called the attention of hon. members to the disastrous results of controlled policy experiments by different countries and outlined clearly the causes of inflation. There are enough examples of all types of events elsewhere for us to be able to do something different before it is too late.

The common sense and the logic of the Social Credit may put to shame those who have always preached the opposite. They can hurt those who have noticed the weakness of the system but who lack the courage to denounce it. But the pride of these people does not make the Social Credit ridiculous. Any citizen who examines the proposals of the Social Credit can easily judge for himself if it is ridiculous or logical to want as we do that people eat their fill of the products which are placed in abundance before them. He can also judge if it is ridiculous or logical to give like the Social Crediters more importance to food, clothing and housing than to the figures written on pieces of paper.

Social justice does not consist in taxing the honest man for the benefit of financial interests. As long as we believe that production is aimed at consumption, this inevitably implies that we have a duty to find a way to give the consumers access to our abundant products. Since the child when he is born is naturally entitled to live, it is not normal to burden him with debts caused by the financial system of the country. Instead, he should be entitled to the heritage left to him by the previous generations.

It is unthinkable that people who believe themselves to be serious can assert that good results can come from wrong methods, that freedom can emerge from bureaucracy or regimentation or that our abundant production can be distributed through a short money supply system. All types of boards have been established, which enables the government to protect its friends. I would not be surprised if one day one of our politicians, of whatever party, makes a suggestion that he will undoubtedly find brilliant, that of establishing another board to study the role of the numerous boards already in existence. What we should really establish is a monetary board which would enable Canadians to get out of this ridiculous social situation which allows poverty to exist in spite of abundance.

[*English*]

Mr. John Gilbert (Broadview): Mr. Speaker, I thought that after the Minister of Finance (Mr. Macdonald) had heard the persuasive speeches of members of the NDP, it would not be necessary for me to make this speech. But the jolly green giant of the cabinet apparently is not persuaded at this stage, and therefore it is necessary for me to make my speech. In all the speeches that have been made during this debate, and in the discussions that have taken place across the country, there has been one common trend throughout; that is, agreement that Canada is in its worst period of inflation, recession and unemployment since World War II.

Mr. Baldwin: And bad government.

Mr. Gilbert: I think this is the reason we have to address ourselves to this problem, which is not only a national problem but an international one. When you think of the low inflation we had in the 1960s, 1 per cent to 1.5 per cent, and the high inflation we are having in the 1970s, 11 per cent to 12 per cent, the enormity of the problem becomes clear.

With regard to recession, we have not been able to gear our productive capaticy to a point where we are meeting the needs, demands and expectations of most Canadians, and therefore we are in a recession period. We are also in the highest unemployment period that Canada has experienced. I notice that one of the Ottawa members nods his head. I thought he was going to say it is even higher than during the Conservative regime form 1958 to 1962.

At the end of September we had a seasonly adjusted unemployment figure of 732,000, indicating a 7.2 per cent rate. When you look at the distribution of the unemployment rate, you find that in the province of Newfoundland it is 18.8 per cent; in New Brunswick it is 10.4 per cent; in Quebec, 9.3 per cent; and in British Columbia, 9.6 per cent. This underlines the problem of unemployment across the country. If there is anything that the former minister of finance bequeathed to the present Minister of Finance, it is that today we have the highest unemployment ever, the highest food prices, the highest interest rate and the highest rate of inflation.

● (1450)

Hon. members may recall that when the former minister of finance resigned, the question in the minds of many Canadians was who would replace him. Now we have the present Minister of Finance. His was an unexpected appointment, for most Canadians, although I might say it was probably a good appointment when we consider the other cabinet material which was available. The Minister of Finance has come forward with his own and the cabinet's solution to the problems of inflation, recession and unemployment. We in the New Democratic Party have said that his response to these problems is both unfair and unworkable. We have said that it will not build any new houses, it will not provide reasonable food costs, it will not combat the shrinking purchasing power of those on fixed incomes, it will not increase production, and it will not put Canadians back to work.

There have been many analytical reasons put forward as to why we have inflation, but I think we are all agreed that ours is not the traditional supply and demand type of inflation. It was rather interesting to glance at Walter Gordon's book in which he says that inflation today is not caused by the marketplace machinery, but by monopolies which set the price of most consumer goods. In his recent book "Storm Signals" he sets forth his reasons for saying that Canadian consumer prices are set by monopolies which operate in the marketplace. They are not concerning themselves with the problems of supply and demand but, instead, with the demand for their particular products, and setting prices not in relation to the cost factor but in relation to their administered prices of which profit is the foremost factor.

I was interested in what Mr. Gordon said with regard to the monopolistic companies which control the Canadian economy. I will list a few of them to indicate the strength of his reasoning. The petroleum field is not controlled by Canadian companies but by monopolistic foreign companies. The companies are Imperial Oil, Gulf Canada, Shell Canada, Texaco Canada, and BP Canada. When it comes to mining, again there is monopolistic control by companies outside Canada which operate the firms of International Nickel, Falconbridge Nickel, Noranda Mines, Hudson Bay Mining and Smelting, and Rio Algom.

With regard to forest products, again we have monopolistic companies the ownership of which is outside Canada. Those companies are Canadian International Paper, Abitibi and its subsidiary, Price Company, MacMillan Bloedel, and Crown Zellerbach, Canada. We know that the automobile industry is controlled by General Motors of Canada, Ford, Chrysler and American Motors. With regard to computers, there is IBM. When it comes to aluminum, there is Alcan Aluminum. The liquor industry is controlled by Seagrams, Hiram Walker, Godderham, and so on. Beer is controlled by Labatt's, Molson's, Carling and O'Keefe. With regard to tobacco, we have IMASCO, MacDonald's Tobacco and Rothmans. That is just a short list of the control which monopolistic companies have with regard to consumer products which Canadians must

have to enjoy a certain quality of life, and this indicates the problem the government is facing in controlling these multinational companies.

I usually analyse the shortcomings of a bill before giving the New Democratic Party remedies to the problem, but this time I will reverse the order and give the remedies of my party to the problems of inflation, recession and unemployment. I will capsulize them for reasons of time, and I hope for the persuasion of hon. members. The first remedy of the New Democratic Party would be to impose selective action to stop unnecessary price increases. The first prices all of us can think of would be oil and gas. We would pass legislation rescinding the 10-cent excise tax on gasoline. With regard to the oil and gas industry, the zooming profits of recent years should be brought to the attention of hon. members. With regard to Imperial Oil, Gulf Canada and Shell Canada, there are figures available on their profits and their percentage of return.

In the years 1970 to 1974, Imperial Oil had a net income increase of 176 per cent and a rate of return of 22 per cent. Gulf Canada had an increase of net income, in the years 1970 to 1974, of 313 per cent and a rate of return up to 20 per cent. Shell Canada had an increase of net income from 1970 to 1974 of 178 per cent and a rate of return of 16 per cent. These figures indicate the necessity of controlling oil and gas companies across the country. Their profits are unconscionable and the government has done little or nothing to stem that tide. I might say that this bill will do little or nothing to control the rate of return of oil and gas companies.

This pattern applies across the board and includes financial institutions and the large corporations which operate in Canada. Recent figures for banks have shown very sharp increases in profits in the past few years. The same is true for large corporations. Therefore, to combat this problem we would set up a prices control board with power to investigate and roll back increases which are not justified.

The second approach would be this. We would make sure that the impact of inflation on those who suffer the most from its effects would be cushioned. I am speaking of people on low incomes and fixed incomes. We would increase old age pensions and veterans allowances so that the recipients could meet some of the high costs they are experiencing today. It is not sufficient to say that a cost of living increase is part of their pension. What is necessary is a pension which is adequate to meet the demands of the day.

The federal government should give leadership by amending the Minimum Wages Act. This would benefit people on low incomes in that they would have sufficient money to provide necessities for their families. Over and above that, there are people who have personal hardships. We must devise programs which will meet these personal hardships. With the extra money they would have, we could increase the demand for goods and services, which would have the effect of helping the unemployment problem and also the problem of production.

Our third method of solving the problems of inflation, recession and unemployment, would be to have a massive housing program. I am looking forward to the programs the Minister of State for Urban Affairs (Mr. Danson) now has on the drawing board. I hope he will bring them forward very soon. The programs he has brought forth have had a little effect but not a substantial effect on this problem. In the final analysis I think the federal government has to give the initiative and leadership to parliament to control housing and earnings across the country. We have suggested that the government should increase its allotment of money for land assembly and direct construction and, more directly, with regard to the control of mortgage rates.

● (1500)

Neither in Bill C-73 nor more especially in the white paper has the government taken the real initiative with regard to controlling interest rates. It has stated that it will let them fluctuate because of the international demands for money.

I hope that I can persuade the Minister of Finance that there are three types of interest. There are consumer loans which have a particular rate of interest, business loans which have a particular rate of interest, and mortgage loans which have a particular rate of interest, and they are all different. There is no reason why the government cannot direct the financial institutions to set aside a certain allocation of their investment moneys for housing at a particular, low interest rate. This is a social responsibility and it is up to the government to direct the financial institutions to take this action.

We have said that the interest rate should be fixed at 6 per cent. Of course 6 per cent would operate to the detriment of the profit and loss statement of the banks, but it is absolutely necessary if we are to combat the high cost of housing and high rents that prevail. There is a certain persuasion in the suggestion of the members of the Conservative party that an income tax allowance be made concerning the high interest rate after a maximum of 8 per cent, but in the ultimate analysis if we are going to talk about a reduction in the cost of housing we have to strike the main components, land and interest. Interest is the most flagrant abuse of the profit power. Therefore I think the government has to take the initiative. I am rather disappointed that the white paper did not spell out the necessity of controlling interest rates at a moderate figure.

Those are the three main approaches that the New Democratic Party would take on these vital problems, Madam Speaker. My colleagues have done an excellent job of analysing the shortcomings of Bill C-73. I would only remind the House that the Liberal response to inflation was set forth by the Minister of Finance, who said that we must distribute the burden equally across Canada. This is an attempt to perpetrate a cruel hoax on Canadians. The minister knows that the weight falls heavily on people with low incomes.

When I was younger I remember reading the works of George Bernard Shaw. He said there is one thing about rich people, they will do anything except get off the backs of the poor. I think it is the same today—they will do anything except get off the backs or out of the pockets of the ordinary working people.

The philosophy of the minister's approach is wrong. He comes from the riding adjacent to mine so we have many things in common. There are working people, and people

of many different ethnic origins, who are attempting to develop a quality of life of which they can be proud. He and I have a certain consensus on what should be done regarding housing and so forth, so I hope he will take note of what we are saying and take some action. But I see no sign of it in this bill and I am not the only one who cannot see it.

When I see the minister's approach to profits, limiting them to 90 per cent of the average net pre-tax profits over the preceding five years with special exemption for export products, then I look at the oil companies—Imperial, 176 per cent in the last five years; Gulf, 313 per cent; and Shell 178 per cent. They will continue to enjoy the high prices and profits they have enjoyed in the last few years; they have the strength, the power, the corporate sleight of hand to protect themselves fully. This also applies to banks and large corporations. There are too many exemptions, too many loopholes with regard to the profits of corporations across the country.

It has been announced that wages will be restricted to an 8 per cent increase in the first year 6 per cent in the second year, and 4 per cent in the third year, with a minimum of $600 and a maximum of $2,400. I am sure most Canadians feel this should be reversed so that people on low incomes should get $2,400 and people on high incomes should get $600.

I notice the new Minister of National Revenue (Mr. Cullen) is in the House. I want to congratulate him on his appointment; it is an excellent one. I believe he is a man of competence, ability, and compassion. I would hope he will find a way to reverse that approach of $2,400 for people on high incomes and $600 for people on low incomes. How can people even get the $600 if they do not belong to a union? How can people on low incomes attempt to get it? What bargaining power do they have? And what about pensioners, what about veterans? There is no assurance that the Minister of Finance is going to make a statement that these people will get the minimum of $600.

We have had a statement about rents. Following the meeting of the provincial ministers of finance the Ontario treasurer, Darcy McKeough, stated that the Ontario government is going to wait to impose rent controls. I am sure that the Minister of Finance wants the Ontario government to move, and move quickly, because there are many people within his riding, and all Ontario ridings who have been directly affected by high rents. I hope he will take his usual strong, tough, attitude which he displays at times, and tell the Ontario treasurer that his approach is not good enough and that these measures must be taken immediately to give protection to the people of Ontario in regard to high rents.

Finally, Madam Speaker, I should like to refer to the board itself. It is a very difficult and cumbersome board to operate. I am sure the chairman and its members are going to encounter real difficulties in regard to appeal board procedure, going to the Federal Court and then to the cabinet. This just means it will be cumbersome and complicated, and cause delays. It does not give me confidence that it can solve our problems.

In conclusion, Madam Speaker, from the Prime Minister's statement one could take it that it is possible that changes will take place. I suppose this is as a result of his dialogue and the speeches he has made across the country. Most of his speeches have been made to high income groups. Every time he goes to a meeting where trade unions are involved he is rejected.

● (1510)

Speeches which members of the New Democratic, Conservative, and Créditiste parties have made across the country will, no doubt, influence the Prime Minister, to make changes. But I can just hear what he will say—"We will increase the minimum exemption for wage earners from $600 to $800, and we will not impose heavy restrictions on dividends, as the corporations are exerting pressure." Really, that is not good enough. I hope the Minister of Finance will not adopt a sphinx-like attitude and say, "That is all we can do now; when times are better we shall make changes." He may suggest amending the Income Tax Act just before the next election in order to help people. I hope that will not be his attitude. I hope he will take positive initiatives and will not do some of the things he suggested he may do. As I say, I hope he adopts some of the remedies the NDP has mentioned. I say that because I am sure all Canadians agree that only by working together can we make this a better country, a country where all Canadians can live a better life.

Members of the NDP, in common with many Canadians, feel that Bill C-73 will not be adequate for dealing with the problems of inflation, recession, and unemployment. That is why we will not hesitate to vote against this bill as it stands. We hope the minister will introduce changes which will incorporate some of our ideas, and thus make this a better country in which to live.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, it seems to me that it was appropriate for this bill to be introduced by the hon. member for Rosedale (Mr. Macdonald), the Minister of Finance, as I think it reflects the thinking of people who are fortunate enough to live in affluent parts of the country, like Rosedale.

I am not from Rosedale, Mr. Speaker, and I want to bring to the government's attention the thinking and concerns of people who are not lucky enough to live in affluent places like Rosedale or Mount Royal. I shall take my examples from the north, but what I am about to say will apply equally to the Maritimes or the east end of Vancouver. In those areas few will need to worry about the government's ceiling of $2,400 on raises. Not many people in those areas make that kind of money.

The average income of most working families in the Northwest Territories, my part of the country, is around $8,000 per year. Most of us are used to the idea of buying gasoline at a high price. The average price of gas in my part of the country is just about $1 per gallon. It is not at all unusual to pay $1 for a quart of milk. So you might say that we knew about inflation long before the word became fashionable in Montreal or Toronto. Therefore, when I talk to the government about these problems, I sometimes feel tempted to charge consultant's fees.

We in the north have spent a lot of money learning about inflation and should be given special consideration, possibly in the form of special tax concessions. For instance, people who live north of the sixtieth parallel should be allowed special allowances. These might induce more physicians to practice in the area. I suggest that

there should be more adequate recognition of conditions in the high Arctic, especially economic conditions which are not the same as in the rest of the country.

The government has created many of our economic difficulties. It has proposed wage and profit controls as a solution to these difficulties. In its wisdom the government has lumped all our economic problems under the catchword inflation. It has said that we should now knock the wind out of inflation, and it proposes to attack inflation by controlling our wages.

What is the government doing to solve other problems like unemployment, monopolistic market structures, and in housing and transportation? Housing and transportation, particularly, are important matters for my constituents, as well as for many others in this country.

Over and over again you hear members of this House talking about the problems in housing and problems in transportation. I tell them that transportation is one of the big problems in my area. The high cost of transportation has led to the very high cost of living with which people must cope in the part of the country I represent. Even though the government refuses to acknowledge these problems, I assure you, Mr. Speaker, that they exist. The white paper which preceded this legislation touched, at one point, on these problems. It is too bad that the concern shown was not translated into legislation. The part to which I refer was near the beginning of the white paper, in that section dealing with the infrastructure of our economy.

The job market is one of the structures of our economy. What is happening in the job market? The national rate of unemployment is over 7 per cent; in some parts of the country it is over 20 per cent. Statistics show that the unemployment rate for native people in northern Alberta is about 65 per cent. I guess unemployment is not much of a problem in constituencies like Rosedale or Mount Royal.

Mr. Macdonald (Rosedale): Or Broadview.

Mr. Firth: What about the housing problem? One can see many problems in the housing part of our economy. Housing costs take a big chunk out of peoples' take home pay, and the percentage lately has been getting bigger, faster. I suggest that these increased costs have nothing to do with the wage demands of a tin bash or of a swamper. No, Mr. Speaker, high costs have much to do with high mortgage rates.

In Yellowknife a house costs almost twice as much as a comparable house costs in Edmonton, although the two centres are only 1,000 miles apart. In Rankin Inlet, in the Northwest Territories, the problem is even worse. People who do not have a government job cannot buy, rent, steal, or borrow a house. I guess hon. members opposite and to my right would explain this in capitalist terms by saying that in Rankin Inlet there is a seller's market. Anyone who manages to put up a small, poorly insulated house in Rankin Inlet could ask for the price of the moon as rent, and get it. That will show you how bad things are in Rankin Inlet. As I said, we in the Northwest Territories know about inflation. That is why I say this bill will do little or nothing to solve the problems I mentioned, problems existing in my part of the country.

[Mr. Firth.]

Transportation is another part of our economic infrastructure. Hon. members may be surprised to learn that the Northwest Territories are served with bus lines. The bus provides a cheap link between Edmonton and Yellowknife. It moves people and goods cheaply between those two centres. Actually, most of us in the north depend on air transportation, although merchants use the bus system to ship small items from the south. The price of shipping by bus recently rose by 30 per cent. As the increase took place on October 1, this legislation will not roll it back. That 30 per cent price increase will be borne by people like Jerry Rieman who runs the camera store in Yellowknife. Jerry will pass the increase on to his customers, and they will pay it. We shall see increases in the cost of aviation fuel, and other increases in transportation costs. We know they are coming. This legislation will permit them and they will be passed on to the consumer. Those increases will be inflationary. This bill will do nothing to stop them.

● (1520)

This bill does not stop the inflation problems of the ordinary consumer. It does stop the inflation problem of those who live in places like Mount Royal and Rosedale. What is that problem? The problem is trying to stop paying more and more for wages. People who live in places such as Rosedale and Mount Royal are more likely to be employers than employees.

The government has solved one inflation problem for a few people. However, when prices go up because of higher transportation costs, higher housing costs, or anything else that will fit through a loophole in this bill, other people will pay. They will pay for it out of take home pay that has been frozen, frozen because the elected representatives from Rosedale and Mount Royal think that controlling wages is the only answer to inflation in our economy. As I said, some people in other parts of the country do not agree with them.

I am sure some members opposite are about ready to tell me that the price controls outlined in the bill will stop inflationary price increases. Before they do that, let us look at what will happen when the price of gas will again go up.

Pacific Western Airlines, which operates out of British Columbia and Alberta into the western Arctic, will be forced to increase its rates on merchandise being shipped to a wholesaler in Yellowknife. That wholesaler will have to raise his price on goods going to Snowdrift, Fort Simpson, or wherever. Retail outlets in these places will have to raise their prices and the consumer will have to pay the increase out of his controlled wages. That is just a simple example.

Into the picture comes the Anti-Inflation Board. Let us say they get there three or four months after the initial increase and their investigation goes on for a month. After that time they may decide the airline was not justified in increasing its freight rates. Is the board going to see to it that the consumers in smaller communities, who for months have been paying five or ten cents more for items will be reimbursed? I seriously doubt that.

The board will not be able to stop all the other five and ten cent increases that are bound to occur, not even if they had 5,000 employees instead of 500. They will not be able to do that because this bill only stops increases in wages.

To sum up, I wish to emphasize that the inflation problems of most Canadians are not solved by this bill. They are caused by a limited supply of housing, trends on the international commodity markets, and the concentration of market power in the hands of fewer and fewer corporations. These problems are also caused by the inability of the government to show any economic leadership.

I hope that the leaders of the business community who live in places like Rosedale and Mount Royal are happy with their elected representatives. I know that people in many other parts of the country, especially those in the Northwest Territories, are not happy with such members.

The Acting Speaker (Mrs. Morin): Before recognizing the Minister of Finance (Mr. Macdonald), I must advise the House that if the minister speaks at this time he will close the debate.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, before I start on the substance of my report I wish to refer to the hon. member for the Northwest Territories (Mr. Firth) who on half a dozen occasions chose to refer to my constituency as being particularly affluent, and indicated that therefore I would bring to this question a rather narrow viewpoint. I think it is unfair to put to the hon. member for Northwest Territories the requirement that he know in detail all aspects of the country. He has a lot of ground to cover himself.

I can understand that the hon. member might not know my constituency very well. But he obviously was not listening to his colleague the hon. member for Broadview (Mr. Gilbert), who spoke just five minutes before, pointing out how similar his electorate was to mine, that is Broadview and Rosedale. I am going to say about the characterization that if I am a fat cat, I guess the hon. member for Broadview is as well.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The hon. member for Northwest Territories does not have to listen to me or visit my constituency, but he should listen to the hon. member for Broadview. He is a man of excellent spirit and sentiment, even if from time to time I disagree with some of his judgments.

In reply, I would like to state that since I last had an opportunity to participate at second reading I have discussed the white paper and Bill C-73 with the provincial governments in the two-day federal-provincial meeting. I wish to refer briefly to that meeting and also to some of the points made during the debate.

With regard to the federal-provincial meeting, the provinces really agreed on three essential points. First, they agreed with our expression of concern about the current economic situation, in particular with regard to the trend in the rates of inflation as requiring special action; second, that the initiative for this action must appropriately and properly be taken at the federal level and by this government; third, that while there may be certain details of the program we put forward with which they disagree, and upon which they would like to see changes—as I said in question period today, we will certainly consider changes and I will refer to those in a moment—in general they are prepared to support and co-operate with these particular proposals.

One of the points that emerged at that meeting and which should be pointed out in this debate is that a policy with regard to prices and incomes, by definition cannot possibly deal with all of the economic issues in Canada. There are many serious questions with which we have to be concerned. The question of regional disparity has been referred to by a number of my colleagues on this side. There is also the question of range of incomes within the community in a vertical sense, and the kinds of changes we should have particularly when dealing with those on fixed income.

The first point is that we cannot and should not by this policy alone try to overcome the problem of regional disparity. We should continue to try to improve the policies that have been and are being followed by my colleagues in that area. On the other hand, we should not by this program seek to make the disparity any worse. It is for that reason I have to reject, for example, the suggestion of the treasurer of Ontario that there should be cuts in the DREE program. This is a question which has also been raised in the House.

With regard to government expenditures, obviously there will have to be some hard decisions taken in connection with the 1976-77 estimates. There will have to be some cuts which will be painful in certain parts of the country. However, with regard to certain policies, Regional Economic Expansion is one we should seek to make more efficient, but we should certainly not make it a particular victim of our inflationary concern.

The second point is that over the years there have grown into our economy and society inequalities in incomes. Some of these have come about directly as a result of collective bargaining. Under our system the trade unions have been in a position to bargain for more favourable treatment, not only to create difference as between different worker groups in our community, but within the structure of a union itself, a scale of compensations. So one cannot hope to overcome by a prices and income program alone differences in economic return to various people in Canada.

● (1530)

Governments in Canada essentially over the years have assumed responsibility for providing basic standards of income for the unorganized, for example through the minimum wage laws both at federal and provincial levels. As I had an opportunity to say in this House yesterday, my colleague, the Minister of Labour (Mr. Munro), had the opportunity yesterday afternoon to continue the federal-provincial discussion of the minimum wage in Canada.

It is a fair observation that in the past there has been a certain ambivalence among the various provinces in regard to this matter. On the one hand there is the very legitimate concern of people elected in public life to try to divert their efforts specifically at those at the bottom of the income scale. There has been the equal concern often expressed at these meetings that a too rapid increase by the federal government will put pressures on those in certain of the provinces who are not under federal jurisdiction. My colleague will be in a position to report on

these discussions in due course, but the question of the minimum wages is one that has been covered during the last 24 hours at the federal-provincial meeting.

In addition to that, as I have said to the Leader of the New Democratic Party, under the old age security plan, the guranteed income supplement, the Canada Assistance Plan, and now under the new and more recent provisions of the Unemployment Insurance Act we have provided for other groups in our community that are not in a position through economic power or through collective bargaining to take care of themselves.

After all of these speeches in this debate are in, however, the basic problem will still remain, and that is the one with which I started off the debate, namely that if those with economic power can obtain higher and higher levels of compensation, then there are two inevitable results. In the first place, given that the quantity of additional resources in Canada is finite, there will be less and less available for those who are without economic power. Secondly, higher returns for those in a position of economic power, whether you talk about doctors or lawyers, corporate executives or public servants, steel workers or auto workers, landlords or corporations—those increases have to be paid for by somebody in the community. They are in fact paid for by everybody. They become a net cost increase for all of us in the community. When that occurs and they become a net cost increase, they therefore, in part at least, become the responsibility of those at the bottom of the income scale, among others, to have to pay.

It seems to me that those basic facts are ones that we as a nation have to come to terms with in this proposal. As I said in opening, we are not going to join in the argument about whether or not the wage increases and catch up increases of the past are responsible for inflation. We are insisting, however, that if all major groups with power insist on big increases, or on leap frogging ahead for the future, in the long run there will be a net cost for all of us to pay which will have to be passed on, and in due course it will be borne by the economy and will result in another inflationary increase.

During the course of the federal-provincial conference a number of problem areas arose, and I will refer briefly to them. Reference was made this afternoon to rents. May I say in fairness to the provincial treasurer of Ontario that he was not averse to taking early action on rents. However, he did accede to representations made by other provinces that the provinces as a whole should proceed together on the basis of national criteria. The fear, of course, was that if there are different regimes from province to province, this could have an adverse comparative effect with regard to investment in new accommodation. In fairness to Mr. McKeough, he was not the dilatory person in this particular discussion. I think it can be said that no one was. But there was a basic problem of trying to get some national standards followed by each of the provincial governments in carrying forward this part of the price control program which will be carried out under provincial jurisdiction.

The second point that was difficult and which has been much raised in this debate, for example by the hon. member for New Westminster (Mr. Leggatt) last night, is

that of professional income. This is one of the most difficult of the questions that were raised. I do not think that anyone would claim that those of professional income who, relatively speaking in terms of numbers, are not a substantial percentage of the work force, are alone responsible for dramatic increases in incomes. Rather there is the comparative problem that if they do not seem to be covered by this program then the program looks unfair. It would want that quality of equity in which all appear to share in restraint.

In this discussion we recognized a lot of the frailties put forward by the hon. member. I think, without coming to any final conclusion on this, that there was a recognition yesterday that possibly there would have to be in the first place, between the federal and provincial governments—particularly with the provincial government participation since the concept of a self-governing profession is established under provincial law—some agreement on appropriate fee schedules, and possibly, to reinforce this question and the equity of the matter, a surtax might have to be considered and perhaps imposed at the federal level.

With regard to the medical profession—not the profession of the hon. member for New Westminster or my own—we recognized that in some ways we would be working against some of our other objectives in public policy if we were too restrictive in terms of what we did. If we said that there would be limits on income from the existing level of effort but that for additional hours put in, or additional patients seen, there could be a further increment, we would run into financial problems, to say nothing of a health and safety problem with a practitioner who sees half as many patients again as he saw last year, which would likely mean he would not do as good a job for his patients as he should.

Mr. Broadbent: In case of lawyers it would be good if they stopped working.

Mr. Macdonald (Rosedale): Additional work for lawyers would seem to suggest that there would be a rampant crime wave in this country, but I will be objective enough not to wish that upon the country in the interests of my own profession.

The third element that was much discussed in this debate, one that has been discussed in the Liberal caucus and was very effectively referred to by the hon. member for Maisonneuve-Rosemont (Mr. Joyal), the hon. member for Davenport (Mr. Caccia), and the hon. member for Fort William (Mr. McRae), is the appropriate maximum level for those at the lower end of the income scale, the $600 limit. It appears both from the federal-provincial meetings and from the debate here that there is some consensus that the $600 limit is not appropriate. What is lacking, however, is consensus on an appropriate alternative method. On behalf of the government obviously I will have to pursue this question with my colleague to see whether we can find some satisfaction in this respect, particularly in light of minimum wage discussions.

As for prices, it has been asserted long and repeatedly that there is no way that prices can be effectively monitored and controlled.

Mr. Broadbent: Or accurately controlled.

Mr. Macdonald (Rosedale): Yes, accurately controlled. The hon. member for Oshawa-Whitby (Mr. Broadbent) feels that in my new character I should not get involved in debate and I am trying to reform, but may I remind him again very gently of what I said on second reading, namely, that those in the group he now leads did not always think it was impossible to control prices.

I think it is fair to point out that many prices can be controlled in advance. Indeed, the chairman of the Anti-Inflation Board has set about doing just that by requiring notification in advance of a price increase, and by requiring justification before any price goes up. That is the kind of regime that we had over the past two years with regard to petroleum pricing in Canada at the crude level. With regard to certain other products, particularly with consumer durables, automobiles, household goods, white goods and goods of that kind, the cost factor is such that it is reasonable to expect that justification will be required first.

● (1540)

An hon. Member: Is that going to be the case in respect of automobiles?

Mr. Macdonald (Rosedale): The price justification in that particular case would present no difficulty, and I think that should be done. I see no difficulty in doing that, nor with regard to certain services such as those covered by bank charges, once again there seems to be no effective argument against requiring justification in advance for that kind of change.

On the other hand, a real problem arises in a sector that affects every family in Canada every week, and that is, of course, with regard to the marketing of food products through the supermarkets. In this regard, as I have said elsewhere, it is not possible to have a policeman behind every bottle of marmalade, so there will be difficulties involved in the change of basic food prices from week to week. It will be very hard to have this kind of justification. We would try to control that in respect of gross profit margins by applying the same kind of test that this industry applies to itself for its own purposes.

Finally, the hon. member for Greenwood (Mr. Brewin) in his speech said the banking and financial institutions would not be dealt with in this measure, but I would point out that they will be dealt with and in fact are covered in the white paper, and I include the insurance companies and chartered banks. The same cost pass through formula I just mentioned a moment ago would apply to them, therefore they would be restricted in respect of their increases in rates in the same way.

Before taking my seat, Madam Speaker, there were several questions of a legal nature raised which I should like to deal with now if I may. The hon. member for Peace River (Mr. Baldwin) raised a question as to whether the Canadian Bill of Rights would apply to this particular bill. The answer is that indeed it would as there is no provision in here exempting the application of the Canadian Bill of Rights. Indeed, it is because of the obligation under that Bill of Rights not to deprive a person of property or liberty without due process of law that the formula covering, first, the appellate review, and then a judicial review of the work of the administrator is provided under this particular bill.

The question was raised at several points, by the hon. member for Peace River and by the hon. member for Windsor West (Mr. Gray), as to whether it would be proper at some interval before the termination date of the bill to provide for a fresh parliamentary opportunity, perhaps by way of an affirmative resolution, to debate the matter. For my part I would have no difficulty in accepting an amendment of that kind.

Having regard to the reports, I would think one of the essential elements of the work of the Anti-Inflation Board would be that there should be an extensive public report of its findings, and I am sure the board and the chairman will seek to do that. In addition to those reports there is a provision in the bill that reports from the administrator are to be made from time to time to the minister, and they are to be put before parliament. In conclusion, Madam Speaker, that deals with some of the broader questions on the implications of the program.

A number of serious questions as to detail were raised. I would be pleased to attend with legal counsel at the committee proceedings to discuss these questions. I have in mind the constitutional question raised by the hon. member for Greenwood. I would be prepared to discuss some of the other legal questions raised by hon. members, particularly the one raised by the hon. member for Halifax-East Hants (Mr. McCleave). I agree it would be desirable to have other officials, in addition to legal ones, on the financial side appear to answer questions both as to the bill and as to the concept of its administration.

Mr. Baldwin: Mr. Speaker, may I ask the minister a very simple question? He referred during his speech to the question of cuts in government expenditures for 1976-77. To make it plain, does the minister mean there will be actual cuts below the present amounts of money being spent by the government, or simply reductions in the rate of increase?

Mr. Macdonald (Rosedale): As the hon. member knows, in the estimates process the proposals for the coming fiscal year are already before the Treasury Board and there will be cuts from those particular proposals. Whether there is an absolute decrease will depend on the depth of the cuts.

While I have the floor might I say that I think there has been some agreement that, if it is decided the House should divide on this question, the actual taking of the division should be postponed until eight o'clock on Monday next. If it is appropriate perhaps I might recommend a House order to that effect.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on the motion of the hon. Minister of Finance (Mr. Macdonald). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Is it the wish of the House that the members be called in now or that the vote be deferred?

Mr. Macdonald (Rosedale): I wonder if the House might agree that the vote should be deferred until eight o'clock on Monday night.

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Is it agreed that the vote be deferred until Monday night at eight o'clock?

Some hon. Members: Agreed.

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CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

AMENDMENT TO CHANGE NAME OF CORPORATION

Hon. Jeanne Sauvé (for the Minister of Communications) moved that Bill S-27, to amend the Canadian Overseas Telecommunication Corporation Act, be read the second time and referred to the Standing Committee on Transport and Communications.

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

* * *

[*Translation*]

LIEUTENANT GOVERNORS SUPERANNUATION ACT

MEASURE TO PROVIDE SUPERANNUATION BENEFITS TO LIEUTENANT GOVERNORS

Hon. Mitchell Sharp (for President of Treasury Board) moved that Bill C-23, to provide for the payment of superannuation benefits to Lieutenant Governors, reported with amendments by the Standing Committee on Miscelleaneous Estimates, be concurred in.

Motion agreed to.

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker—

[The Acting Speaker (Mrs. Morin).]

The Acting Speaker (Mrs. Morin): I regret to advise the hon. member, but at this stage of the report, no debate is supposed to take place. A debate can be allowed only on third reading.

Mr. Sharp (for Mr. Chrétien) moved that Bill C-23 be read the third time and do pass.

Mr. Corbin: Madam Speaker, I would like to assure my colleagues, especially the Parliamentary Secretary to the House leader, that he does not have to take a pill, I will be brief and his bill will be passed shortly.

However, I would like to take this opportunity to repeat what some of my colleagues and I have already said during the consideration of the bill in committee. We pointed out to the President of Treasury Board, mainly responsible for the introduction and passage of that bill that in our opinion, he did not go far enough as far as the pensions of Lieutenant Governors are concerned.

In committee, we tried to convince the President of the Treasury Board to change the text of the bill itself to take into account the particularly difficult circumstances under which the lieutenant governors of Quebec and their families took over the functions they now assume.

But the bureaucrats won that inning and, unfortunately, the President of the Treasury Board refused to follow the advice shared by most of the members of the committee. He won. But I am giving him another chance, and urge him to reconsider his position, Madam Speaker, because of the unfairness of the situation. Of course, I am speaking in relative terms with regard to the lieutenant governor of New Brunswick who fills his post, in some regards, at his own expense. He has to dig in his pockets to pay some of the expenses incurred in the course of his duties, duties which he has to perform and which he is expected to perform in view of his position.

I should have been remiss in my duty had I not pointed this out today. I know that several of my colleagues from New Brunswick on the other side support the stand we have taken, and I think it is most unfortunate that the procedure should not allow us to amend the bill as we would have wished with regard to the lieutenant governors of New Brunswick and Quebec.

One of my colleagues may wish to add to what I have said. That is why, Madam Speaker, I now bring my remarks to a close.

• (1550)

[*English*]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I will speak without the sound system operating. I wish to concur in the remarks of my colleague, the hon. member for Madawaska-Victoria (Mr. Corbin), and say I too regret that the bill has not been amended. I think the incumbents of the positions to which he referred have given over a long period dedicated public service, and I regret that the amendments are not made.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Madam Speaker, on a point of order, I thought I should let the House know, now that we have given second reading to the bill on the anti-inflationary measures, that on Monday we will be beginning the debate on Bill C-69 dealing with unemployment insurance.

* * *

ENVIRONMENTAL CONTAMINANTS ACT

MEASURE TO PROTECT HUMAN HEALTH AND THE ENVIRONMENT FROM CONTAMINANTS

The House proceeded to the consideration of Bill C-25, to protect human health and the environment from substances that contaminate the environment, as reported (with amendments) from the Standing Committee on Fisheries and Forestry.

Mr. Clark: On a point of order, Madam Speaker, may I say there have been some discussions between the minister, myself, and others in the House relative to some of the amendments which appear on the order paper, commencing with that in the name of my colleague, the hon. member for Churchill (Mr. Smith), who unfortunately is absent delivering mail in that constituency. My understanding is that the minister has some comments she would like to make. I simply rise on a point of order to ask the unanimous consent of the House to make some amendments to the amendments which appear on the order paper. The minister will deal with the first of those. I make this request now on a point of order in order that I might retain my right to speak after the minister has spoken.

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Indeed, Madam Speaker, we have had discussions on the amendments proposed to this bill. The hon. member for Rocky Mountain (Mr. Clark) has consulted his colleagues and we both agreed that I would accept one of the amendments he proposed, the one appearing as subparagraph (6). The hon. member for Rocky Mountain himself would withdraw subparagraph (5) and subparagraph (6) would be amended as follows in accordance with the hon. member's views and mine. Therefore, this subparagraph would read as follows:

(5) A committee appointed pursuant to subsection (4) shall make public its reports and recommendations and the reasons that justify them and by renumbering subsequent subclauses accordingly.

You will note that the word "inquiries" has been deleted and that the words: "and the reasons that justify them" are added.

Therefore, if the hon. member agrees, I would move this amendment as I have just read it.

Mr. Joe Clark (Rocky Mountain): Madam Speaker, I agree with the amendments moved by the hon. minister. I hope this House will find it possible to support the amendment.

[*English*]

The Acting Speaker (Mrs. Morin): This, of course, would require the unanimous consent of the House. Is it agreed that the amendment proposed by the minister carry?

Some hon. Members: Agreed.

Amendment (Mrs. Sauvé) agreed to.

Mr. Clark: Madam Speaker, on behalf of the hon. member for Fraser Valley West (Mr. Wenman) I would request the unanimous consent of the House that I be allowed to withdraw amendment No. 2 standing in his name.

The Acting Speaker (Mrs. Morin): Is it agreed that Motion No. 2 standing in the name of the hon. member for Fraser Valley West (Mr. Wenman) be withdrawn?

Some hon. Members: Agreed.

Motion No. 2 (Mr. Wenman) withdrawn.

The Acting Speaker (Mrs. Morin): Motion No. 3.

Mr. Clark: I wonder, Madam Speaker, if I might call it four o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it four o'clock?

Some hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

The Acting Speaker (Mrs. Morin): Motion No. 2 in the name of the hon. member for Hamilton West (Mr. Alexander). Is the motion allowed to stand at the request of the government?

Some hon. Members: Stand.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): All parties of the House have agreed to proceed with motion No. 8 in the name of the hon. member for Rimouski (Mr. Allard).

RAILWAYS

SUGGESTED ROYAL COMMISSION STUDY TO IMPROVE SAFETY OF PASSENGERS AND EMPLOYEES

The House resumed, from October 28, 1974, consideration of the motion of Mr. Eudore Allard (Rimouski):

That, in the opinion of this House, the government should study the advisability of establishing a Royal Commission on the notable shortcomings of Canadian railways and in particular CNR to increase the protection of the public in general and that of the employees in particular and to eliminate accidents and derailments of freight or passenger trains.

● (1600)

[*English*]

Mr. Jack Pearsall (Coast Chilcotin): Madam Speaker, I seem to be once more on familiar grounds—

Mr. Blais: I rise on a point order, Madam Speaker. May I draw your attention to the fact that the floor is being sought by the hon. member for Rimouski (Mr. Allard), whose particular motion this is.

The Acting Speaker (Mrs. Morin): Order, please. We are resuming the debate from last October 28 at which time the hon. member for Coast Chilcotin (Mr. Pearsall) had the floor.

[*Translation*]

So the hon. member has the floor.

We resume the debate and when it was interrupted, the hon. member for Coast Chilcotin (Mr. Pearsall) had spoken to the bill.

[*English*]

Mr. Pearsall: Madam Speaker, I seem to be once more on familiar grounds, or should I say familiar rails, in rising to speak again on this motion brought before the House by the hon. member for Rimouski. I am very much aware of the deep concern expressed by my worthy friend, but again I must answer him as I did last October 28 when he brought the matter before the House in practically the same words.

This matter of railway safety which the hon. member has brought up for discussion, continues to be a principal concern of the government, particularly as rail transportation received strong emphasis in the new transportation policy tabled in the House last June. However, it is still our position that the way to improve the safety performance of the railroad is not to appoint a royal commission, as the hon. member for Rimouski has suggested.

As the Parliamentary Secretary to the Minister of Transport (Mr. Goodale) has pointed out, royal commissions take a long time to prepare their reports, and their recommendations are seldom implemented. When they are included in legislation or regulations, which is a rare occurrence, this usually happens some years after a report is brought down. No, I do not think a royal commission would expedite what the hon. member is suggesting in his motion, which reads:

That, in the opinion of this House, the government should study the advisability of establishing a royal commission on the notable shortcomings of the Canadian railways and in particular of CNR to increase the protection of the public in general and that of the employees in particular and to eliminate accidents and derailments of freight or passenger trains.

Rather than wait for lengthy reports and studies, it is our view that specific and immediate steps must take place to improve safety on the railways. The key channel to which such improvements can be made is, of course, the Railway Safety Advisory Committee.

The committee's most recent progress report contains several specific decisions made with respect to resolving the difficulties related to rail accidents. It has, for example, established an improved system of disclosures of accident information to the Canadian Transport Commission for analysis and action. All railway accidents are now reported directly to the Canadian Transport Commission which is responsible for follow-up investigations and for public reporting. A "tighten-up" program with regard to the fitness of operating employees reporting for duty—a result of CTC order 20191—is proving effective. This involves stricter surveillance procedures by supervisors whose responsibility it is to ensure that operating employees on duty are fit, able, and alert.

A signal training program has been developed for signal construction, maintenance and operating personnel. Through on the job training, classroom instruction and home study, the program covers many areas, from general knowledge of train operation and railway signalling to studies of specific topics such as track circuits and railway highway crossing protection circuits. Employees must pass both written and practical examinations.

Minimum track standards and standards for operating rights of way are being developed. A special subcommittee was established to this end. They have to date defined specific priorities and have the agreement of Canadian Pacific Railway and Canadian National Railways to submit standards to accomplish these priorities. The CTC will also carry out research and furnish draft standards. A study for test rules improvement and signal inspection is also under way.

This is the type of positive action that is necessary. We do not need more studies or a royal commission. We need to move on the studies that have already been made. In fact preliminary figures supplied by the major railways for 1975 show to date an improvement over 1974 statistics. Crossing accidents continue to be the most serious problem. Money and research are continually going into development construction of better signal and protective devices for the safety and convenience of the public at level crossings.

The accident level to date is about the same level as in 1973. The very fact, however, that statistics do exist indicates that steps must be taken to ensure safety on the railways. We must ensure that the good working relationship between the Railway Safety Advisory Committee, which includes the unions, and the CTC and MOT officials continues, and that improvements in railway safety continue to be the result.

The Canadian Railway Labour Association is also actively interested in the work and suggestions of the Railway Safety Advisory Committee. The priority matters they have indicated for the committee's working groups include the construction, maintenance and inspection of track standards; a revision of the air brake inspection and

maintenance rules; the development of a uniform code of operating rules; and regulations governing minimum training standards for those railway employees whom the RTC has designated as having duties which affect safety in the movement of trains. The hon. member for Rimouski has brought up that matter in the past. The union has also asked for a review and updating of the RTC operations, engineering and general orders, and for a review of the sections of the Railway Act having to do with the safety of operation.

I might draw to hon. members' attention the on-going improvements that are being made in the CN system as a result of maintenance, installation of new facilities, and research. New rail is being installed, and a lot of work is being done in northern Ontario and in the western provinces. In order to improve safety and capacity, CN is installing new signalling and communication facilities. Radio communications continue to be improved. As well as being active in its own search for new and improved techniques and solutions to its operating problems, it is involved in joint programs to these ends with the Department of Transport and CPR.

Mr. Oberle: Who wrote that for you?

Mr. Pearsall: I did.

I can assure hon. members that the government and MOT will continue to strive to reduce the number of accidents and to improve the safety and standards of our railways. It will take a good deal of money to renew, rebuild, and expand the rail network to accommodate the larger, heavier type of equipment that will be required in the next 10 or 15 years, but it must be done with an eye to the safety of people, both those operating the railroads and the general public. We recognize that there is much to do and that human error will always be with us.

I support the intent and principle of the motion, except that I believe we now have the necessary procedures in operation. We have only to ensure that they are working. I do not feel that a royal commission at this time would in any way help to resolve the problems which have been so well outlined by the hon. member for Rimouski.

● (1610)

Mr. G. H. Whittaker (Okanagan Boundary): Madam Speaker, I welcome this opportunity to enter into the debate on the motion moved by the hon. member for Rimouski (Mr. Allard) with regard to the shortcomings of the Canadian railways. I welcome this because for many years I have been involved in the frustration of trying to deal with the freight rates of the Canadian railways, especially in the interior of British Columbia, whether it be in the south central interior or the northern interior.

One of the reasons why we are debating a motion that we should have a royal commission is that there is a lack of direction coming from the Minister of Transport (Mr. Lang), from his office, and from the federal government. This has been especially noticeable since I have been here, which now has been three years. We know that the minister came in, threw up his hands and said that the government did not have a transportation policy. It would not be difficult to deduce from that that the railways are not paying any attention to the Minister of Transport, his department, or the federal government, and that there is really no control.

Who is running Canada, the railways or the federal government? When we consider freight rates, especially in my area, and try to understand them or to be even remotely familiar with them, we have great difficulty because the Department of Transport is very complex.

It is not difficult to understand that over the years the railways have been taking whatever the traffic will bear, especially when there is little competition. Between my riding and Vancouver there was a time when there was no competition, and it was very costly to send our apples and soft fruits to Vancouver. Then there was a highway built connecting my riding and Vancouver, and there was competition from trucking. However, it was not very long until the large railway companies were able to buy out the major truck organizations, and then the competition was more or less stunted.

We gained much experience in hauling our produce into the United States, putting it on a railway car in the United States, shipping to a point south of Regina and Assiniboia, unloading the car, putting it back on to a truck and taking it to Regina. That was cheaper than sending it by a Canadian railway. I notice that the hon. member for Coast-Chilcotin Mr. Pearsall is paying a great deal of attention to what I am saying, and what I am saying is factual.

We were at one time able to bring about competition, and then we were able to come to an agreement with the railways to have a competitive price. I remember that at one time we could load a can of apples in Kelowna, send it to Winnipeg, take it off the car, put it in cold storage, take it out of cold storage, put it back on to a car, ship it to Florida and obtain a rebate on our freight rates.

Hon. members may wonder why I am citing these examples of what used to happen. I am doing so because it is happening again today. One can send a box of apples from Washington state, which is just south of the Okanagan valley, into the eastern markets of Toronto and Montreal for 43 cents a box less than one can from Kelowna to the same markets on Canadian railways.

Some hon. Members: Shame!

Mr. Whittaker: We are asked to buy Canadian. We are considering an advertising program in Canada to promote the sale of Canadian apples, but how on earth are we to compete with this kind of competition, which is mainly generated by our own railways, when they demand and take more money than competitive lines in the United States to haul the produce of Canada from one area to the other? Forty-three cents a box may not sound like very much money to hon. members, but it is a lot of money to the producer. The person who must absorb this amount of money is the producer. No one takes any less in Canada, and it goes right back to the producer. He has to take less for his product.

I used the examples of apples and produce, but those are not the only commodities involved in the interior of British Columbia. Commodities can be shipped from eastern Canada to Vancouver and then into Prince George for less than it can be done on a direct line which runs from Edmonton to Prince George. Someone must explain why

these things happen. The ordinary layman does not have the opportunity to find out. The Department of Transport throws its hands up and says transportation policy is a mess. The department does nothing. It is time there was a royal commission.

Imagine the advantage the railways in Canada are taking with their freight rates. It does not cost the railways any more to ship commodities to these interior points, and it is not more difficult to do so. It is not any farther, but this happens because of some philosophy that it is competitive. Is this the way we are to build Canada? This is the way we have been trying to build Canada. This is the way we have been trying to have secondary industry, and this is one of the reasons why we are drawers of water. We do not have a transportation system which gives us the opportunity to compete within the framework of Canada itself. You can find all kinds of examples in Ontario especially. In Coast Chilcotin and the Prince George area many job opportunities have been lost because plants have closed.

● (1620)

In my riding in the interior of British Columbia a company got an area intensive grant from the federal government through DREE and established a plant which was competitive in every way. Their product was good, but they found that a large part of their market was in eastern Canada. Of course we know that is where the population is, and we know we get discriminated against in many instances.

Because of the change in freight rates last year this company could not compete with the American markets and so lost business. There was a stipulation that they must have so many pounds per car of a certain type of product, and so on, yet the COMINCO smelter at Trail, which is a subsidiary of the railway, was charged less. The company I speak of did not get the lesser rate because it was too small and it is not a subsidiary of the railway. There was a danger that they would have to go out of business and the DREE moneys would be lost, but luckily the market improved and they were able to pay the extra freight. They are at the mercy of these freight rates set by the railways who do not worry if somebody loses a job or goes out of business.

The former minister of transport said the department is in a mess, but we have a new minister now and I wish him well. He has a parliamentary secretary who has the interests of western Canadians at heart, but I do not think either he or the minister can do too much because they belong to a government that is not strong enough to bring the railways into line. They do not want to do it, they do not have the strength to do it, and I do not believe they are able to do it. In my opinion the motion of the hon. member for Rimouski (Mr. Allard) is a good one and I hope the government will support it.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I should like to take a few minutes to support the motion of my colleague from Rimouski (Mr. Allard) concerning the establishment of a royal commission on railways. If I remember correctly, Madam Speaker, on January 4, 1974, the hon. member for Rimouski requested the unanimous consent of the House under the provisions of Standing Order 43 to discuss this motion.

As usual, his motion under the provisions of Standing Order 43 did not receive the unanimous consent of the House. In spite of this, he noted with great pleasure that March 21 of the same year was set aside for the long hoped for railway improvement study. Taking the first opportunity to urge again the government to try and find answers in order to reduce the number of railway accidents, especially in view of the many derailments in the last few years, the hon. member for Rimouski even suggested that a royal inquiry be made on the railway administrations in an attempt to solve the problems caused by the shocking deterioration of this vital and nationally important service as soon as possible. Unfortunately, the matter was forgotten as soon as it was raised. However, my colleague for Rimouski made a fresh attempt on October 28 of the same year by asking—as I have done many times with regard to the railway service in the Saguenay Lac-Saint-Jean area—that an inquiry be made into the activities of the national railways.

Once again, I should like to ask all the hon. members who are here this afternoon to listen very carefully to what I will say during the few minutes allotted to me, so that I may state the reasons for my request and for supporting my colleague from Rimouski. Undoubtedly, Madam Speaker, the main reason for this request is that, as the member for Roberval, I have been aware throughout the years of many railway accidents, including derailments. In addition to those in my own riding, I could mention those which occurred in the riding of one of my colleagues from the Eastern Townships, in the province of Quebec. I intend to deal with the accidents in the passenger and freight transport services, without omitting necessarily all those which may have occurred throughout Canada.

I feel therefore it is my duty to ask again the House of Commons to set up a royal board of inquiry into the administration of our national railways, an inquiry which would certainly come up with adequate means to patch the many faults which now exist in this service of prime necessity and public interest.

In spite of all the studies which have been carried out to date, Madam Speaker, I am still convinced that such a royal board of inquiry is necessary, for such an inquiry, as I see it, would recognize the need to provide more safety and protection to passengers and railway workers alike.

● (1630)

At present I consider that the Transport and Communication Committee of the Canadian Transport Commission did not put enough emphasis on the inadequacies of the security standards set out in the railway area.

Referring to the report released following the 1970 general survey of railway tracks and prepared by the railway transport committee on can read the following on the first page of appendix 3:

The number of derailments in 1972 caused by the condition of Canadian National and Canadian Pacific tracks tripled since 1969, and nearly doubled since 1970.

It is easy to verify that the situation is not that bright because if one refers tothe 1959 figures one sees that there were 40 derailments, 69 in 1969, and 132 in 1972. That gives

an average increase for the three years of 90 per cent. What a shame!

I continue quoting from the same report:

> Because of that continued increase in derailments it must be concluded that in a near future the number of derailments caused by the condition of the track will continue to increase as will the number of dead and wounded unless immediate steps are taken.

And those immediate steps would be to set up a serious royal inquiry that would no doubt enlighten us about the faults of the present administration and bring in corrective measures.

It is very important to know how to distinguish between accidental and localized administrative faults which can be corrected on the spot, and structural, basic faults which would require a complete overhaul of the organizations involved. So, Madam Speaker, this is a matter of momentous importance which deserves all our attention and all our energy if we want to get in line with current and future requirements and restore to our railways their reputation of yesteryear which was recognized throughout the whole world. Because we know that for a long time our railway were the pride of Canadians, financiers, administrators, employees and all the external traffic. But today, instead of boasting a futuristic railway network we make do with a very poor system. We were unable to maintain our railroads and the rolling stock. I should like to quote some examples of derailments that occurred, mainly in Quebec as I cannot mention all the derailments that were reported throughout the country. I should draw to your attention several derailments that occurred in my area last year, about 70 miles from Mont-Joli and more precisely in Routhierville, where about twenty cars loaded with oil and several other goods ran off the line. There was also another derailment within the same year between Mont-Joli and Rimouski, several cars loaded with passengers. Fortunately there was no fatality but it was a pity to see so much material damages. And I remember the accident I already mentioned to this House: between Montreal and Chambord during the winter a train with almost 100 passengers left the tracks at three o'clock in the morning. The passengers had to stay in the train without anything to eat and I had to phone Montreal to get the authorization to give some food to those people and to call for buses that arrived only at two o'clock in the afternoon. Can you imagine all those people waiting in the train? Madam Speaker, when such derailments happen the passengers are not ready to take another CN train the day after. They always say never again!

Madam Speaker, the accidents I just mentioned are rather important. And in the long term, they are vey costly if you consider the large number of derailments in Canada in recent years.

Finally, hon. members will agree that if the Canadian Transport Commission has found it wise to recommend to the Canadian National Railways to reduce the speed of passenger trains to 40 miles an hour, and often to 20 to 25 miles an hour, all year long yet, it was to bring down as much as possible the number of accidents on their railways.

I can then say that this coincides perfectly with the aim of this motion, which is simply to find serious solutions to that great number of derailments. For I remember that not so long ago, derailments could be counted on the fingers of one hand, whereas now they can hardly be counted with a calculating machine.

No doubt, Madam Speaker, accidents used to be less frequent, quite simply because tracks were well-maintained. In fact, for every seven miles of railway tracks, there were four employees responsible for maintaining and looking after those tracks.

Moreover, tracks were inspected everyday and frequently after the passing of passenger or freight trains. It has now been thought wise to increase sections to about 20 miles, while at the same time reducing the number of personnel in charge of the maintenance and surveillance of those tracks.

Funniest of all about railroad inspection, employees and maintenance crews most of the time travel the section they are in charge of by car on the highway. And they claim they have inspected railway tracks. I would rather say they go for a sunday drive.

Madam Speaker, it is my sincere belief that utter mismanagement of the Canadian National results in undue expenses and shameful waste.

Think also of CN senior executives who are provided with company cars and credit cards with unlimited coverage. I think I am justified in requesting in my own name and in the name of my colleague, with respect to the activities of the national railways, the institution of the famous royal inquiry commission.

Before concluding, Madam Speaker, I wish to remark that before engaging into secondary ventures as the building of towers, the development of shopping centres and real estate such as luxury hotels, our railways should first give an assurance they will adequately maintain facilities and services and also, since we are on this matter, keep a large number of cars and locomotives in railway service.

Let me speak of what happens and the noise that surrounds the trains. Doing repair work in a milk car, which is very often the case, on the heating system that is always out of service or the brakes that do not work most of the time, it is very complicated matter. Repairs used to be done locally. In Chambord, there was a repair shop. But today, if a button does not work, if there is a power failure, if there is no heating in some car, the latter must be sent to Montreal for repair.

In the meantime everybody gets cold in the train, and that is the kind of service we are getting in our trains. For this reason, I am pleased to support the motion of my colleague, and I hope the government will take good note and attempt to give the CN the men or technicians needed to guarantee better service to the people.

● (1640)

[*English*]

Mr. C. Douglas (Bruce-Grey): Madam Speaker, I wish to emphasize the importance that we place on the matter raised by the hon. member for Rimouski (Mr. Allard), and we thank him for his efforts and appropriate comments.

Before going any further I should make it clear that if anyone is waiting for the hon. member for Bruce-Grey (Mr. Douglas) to start handing out plaudits and bouquets

to either of our national railway companies, they are going to have to wait for many a moon.

Some hon. Members: Hear, hear!

Mr. Douglas (Bruce-Grey): Many people in my area, as well as members from my area, saw the railways fold up their cabooses and all other facilities about five or six years ago. They simply removed them from my area. It might be very proper for those who have passenger trains to talk about them and their safety. However, we do not even have passenger trains.

It is of the utmost importance that safety be maintained throughout our rail transportation system. However, I am concerned. I feel that asking for a royal commission, as my colleague has stated, will not result soon enough in specific and decisive action which is required to ensure safety on our railway system or to improve the very poor system we have at the present time.

In addition, a royal commission at this time would cost $1 million, $2 million or $3 million. What is the price of a royal commission? What is the length of time it will be in effect? Will it be one, two, or three years? There are many programs that should be in effect now. In fact, many of them were needed a year ago or even before that.

An hon. Member: Tell that to the Minister of Transport.

Mr. Douglas (Bruce-Grey): Let us wait and see what will happen with our new Minister of Transport (Mr. Lang). I believe he is a sincere person, one who will do his level best to ensure that Canada has the best type of freight or passenger service, whether it is by air or water. If we get a train in Wiarton, I will invite the hon. member to be the second man on, because I am going to be the first!

One member spoke earlier about the respect and admiration the railways had at one time. I agree that at one time the railways did hold the respect and esteem of people right across this country. However, I ask hon. members; who was it that lost that respect and esteem? It was the railways through actions such as we saw in our part of the country when passenger service was taken out without sufficient reason for doing so.

Some hon. Members: Hear, hear!

Mr. Douglas (Bruce-Grey): I do not think that a royal commission will bring back that respect. It is something that has to be undertaken by the railways, Canadian National, Canadian Pacific, and every man Jack that works for them. They are the people who provide the service and the safety.

I am sure that every member who represents a rural area has received complaints from farmers in his area about bush and brush growing along the sides of railway tracks. This is not cut back. Therefore people driving along our highways and byways cannot see when a train is approaching. There have been numerous instances in my area, particularly since the beginning of the oil train runs from Montreal to the Douglas Point nuclear power development, of trains travelling late at night and early into the morning. People have driven right up to these railways crossings only to find suddenly there is a train on them. They cannot see far enough down the track to have an adequate stopping distance when traffic is on the line. The railways could rectify this by simply getting the crews out to clear the brush, fences, and waste that are piling up along the rights of way. I am not sure this will come about even with a royal commission, but members of parliament must let the railways know the feelings of the people they represent.

With regard to the runs from Montreal which carry bunker oil to the nuclear power station, I was surprised to find that the railways supply the lines and the engines, but somebody else supplies the cars. I have been successful with regard to having the oil cars marked. When I tried to pursue this further as to who was responsible, I found out that it was not the railways that are responsible for marking the cars, but those who own them. You must go through a devious route to find out who owns the cars and who is responsible for marking them. This is something the safety people should look into.

There should be better illumination of the markings, particularly on the black oil cars that travel the width and breadth of this country, so that during the dark hours those approaching a crossing will have their lights reflected and know that there is a moving obstacle. In many cases people have driven right into the side of a moving car.

I think that positive steps are being taken by the railway safety advisory committee, and this is the route we should continue to follow. The Ministry of Transport, however, sees the railway safety matter as necessitating a multi-faceted program of which this committee is one part. We are thus presently pursuing many other programs which will lead to the improvement of safety on the railways.

It is on these other programs that I wish to take a few minutes to elaborate. There is the transportation policy on rail system development and financing. The transport policy which is now being prepared for legislation provides for ongoing financing to ensure that a viable railway system is available for Canadian transportation.

We in this House talk about the improvements we would like to see. We talk about brushing, a new road system, overpasses, underpasses, and tunnels. However, we must realize that this is going to cost money. The money must be provided for this type of safety endeavour before it can be put into effect.

The program will ensure that ongoing financing is available to that sector. This naturally provides for a high level of maintenance which leads to improved safety of operations. The Hall and Snavely Commissions are assisting us in our program on the whole matter of grain transport with the objective of providing a high quality rail transportation system.

● (1650)

Many people travel throughout the world and see a number of different railway systems in Europe and in England from which we can learn many things. I also think we can learn of some of the pitfalls and problems.

Often not enough consideration is given to railways in rural areas. I think members from rural areas will back me up in that. People used to see the 9.20 train going through at 9.20 in the morning and returning at 8.30 at night. The action really started when the railways stopped running

on time. People in the area knew when the train went through, and then they started running late and everyone became confused. The first thing you knew was that people along the track thought the 9.20 had gone through, perhaps they could not see down the right of way as far as they should, and the next thing is it is 9.45 and they are hit.

Mr. Jarvis: The roadbed is so bad they cannot keep on running.

Mr. Douglas (Bruce-Grey): Well let us talk about roadbeds for a moment. Anyone who was present near the end of the transport meetings last year will certainly have seen some of the roadbeds in western Canada and in eastern Canada which need upgrading and which are not fit for the type of traffic they are expected to carry. Let us do something about them, but setting up a royal commission which might take three years to report is not going to do much to solve the problem right now.

Purchase of railway cars for grain is also something we can talk about, as well as grain transportation generally. The government has either ordered or purchased 4,000 covered hopper cars for the transportation of grain. This, in addition to providing capacity for the movement of grain, I believe leads to a safer operation in grain transportation. Any kind of operation that must be speedy leads to danger somewhere along the route. The covered hopper cars are easily loaded at the elevators and unloaded at the terminals without the use of shovels, grain doors and so on, and they certainly upgrade the system.

In addition to this improved safety factor by the terminal operators, there is a rail operational consideration whereby these cars lead to the displacement of some of the obsolete boxcar type of equipment. One covered hopper car replaces two of these obsolete cars. The latest design provides for a much safer train and yard movement operation. I am sure many hon. members realize, if they see some of the 100 and even 200 car trains travelling through cities and across Canada, that if these trains are cut in half safety factors will be improved, whether these trains are carrying grain, oil, or any other type of material.

With regard to providing more money for capital acquisition of necessary equipment for upgrading railway lines, this to some is one of the top priorities that should be undertaken at the present time. In the analyses of CN budgets great consideration is given to the financial resources needed to ensure that CN can maintain the system they have. It may not be very good, but they do at least want to maintain what they have. This ensures that they have the capability to operate in a safe manner. Particular emphasis is placed on ensuring that railway yards and facilities receive maintenance on a regular basis and that funds are made available for the purchase of equipment to replace obsolete equipment and the maintenance of railway equipment on hand.

With regard to development of a railway monitoring system to identify specific problems and develop reasonable solutions, as an ongoing program the CNR has been making progress in the use of hot journal box detectors. At one time this was one of the primary causes of derailment and other troubles, particularly with passenger cars. These detectors can do much to assist in making rail stock safer so far as passenger and freight trains are concerned. They now have these sensing devices on main routes across Canada, as hon. members probably know. The railways are now experimenting with 24 detectors reporting to a computer via Bell telephone, and the results are so favourable that they are progressing with this program on the rest of the route and it is expected to be completed by the middle of next year. During the balance of this year they will be refined even further. The computer has been found to be much more critical and thorough in its reading of the situation than any manpower.

As for joint participation of rail capacity development, the ministry of transport is taking the lead in working with the railways to develop programs and alternatives to provide for an orderly development of rail transportation infrastructure in Canada. Through these programs we are able to ensure that new rail lines and improvements to existing routes as well as terminals are planned and developed in such a way as to give the best possible system for the funds that are applied.

Once again I want to congratulate the hon. member for Rimouski for raising this very important item this afternoon, particularly since it concerns so many of us. But I should have liked to see the matter go even further, as we must also take a look not only at rail transportation but at all facets of transportation in this country, including air and sea. We must examine every alternative so as to develop a better rail system.

I agree with what the hon. member said earlier that the development of this country has depended, during the century that we have been in existence, on our railways. It is on this type of service that we can build and make Canada a much better country for all to live in, one of which we will all be justly proud.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. The private members' hour is now over. It being five o'clock, the House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 27, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

LABOUR CONDITIONS

USE BY ELDORADO NUCLEAR OF IMPORTED WORKERS TO FILL VACANCIES AT MINE—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. I ask unanimous consent of the House to move a motion, namely:

That this House protest the fact that residents of northern Saskatchewan are denied employment, and in particular the unemployed Indians and Metis, by reason of the action being taken by Eldorado Nuclear Limited in Uranium City, by importing 70 Europeans to fill current vacancies in the mine at Uranium City, there being 126 residents located within that immediate area, most of whom have been on the employment waiting list for over a year.

Furthermore that this House calls on Eldorado Nuclear Limited to reverse its refusal to meet with the agencies of the Northern Saskatchewan Employment Committee and to work out appropriate ways of satisfying the company's employment requirements among local unemployed persons.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 this motion cannot be presented without the unanimous consent of this House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLYMPIC GAMES

PROPOSED INVESTIGATION OF PROCEDURE FOLLOWED BY COMMITTEE IN AWARDING CONTRACTS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of recent reports of irregularities in the awarding of contracts by the Olympic Organizing Committee, COJO, the most recent being the awarding of a contract for the manufacture of olympic medallions to a Swiss Firm, SwissCon Canada Ltd., despite the fact that several qualified Canadian firms, including mints in three provinces, had not been asked to submit bids and in view of the federal government's responsibilities in this area arising out of the substantial indirect financial support being provided through the coin and stamp programs, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the government to initiate an investigation into the procedures followed by COJO in the awarding of contracts, with special reference to the circumstances surrounding the awarding of the contract for the manufacture of olympic medallions, and, further that the House instruct the government to withhold further financial support to the olympics, direct or indirect, until it has been established that the tendering procedures are responsible and fair.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 this motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

MUSEUMS

SUGGESTED CORRECTION OF OMISSION FROM GUEST LIST FOR OPENING OF RAVEN GALLERY—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion arising from the opening to be made by the Prime Minister of November 5 of the Raven Gallery of the National Museum of Man here in Ottawa. I move, seconded by the hon. member for the Northwest Territories (Mr. Firth):

That the Prime Minister advise the House in connection with the official opening on November 5 of the recreation of Skidgate Village from western Canada to be known as the Raven Gallery of the National Museum of Man why none of Canada's native people, particularly the decendants of the original creators of the village, have been included on the invitation list for the opening ceremonies and that the Prime Minister also guarantee the House, first, that this slight will immediately be rectified and, second, that the present plan to hold the opening ceremonies almost entirely in the French language will be changed forthwith to provide for bilingual opening ceremonies in accordance with the government's supposed policy of supporting the principles of the Official Languages Act.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR CANADA

REQUEST FOR SETTLEMENT OF DISPUTE WITH EMPLOYEES OF FINANCE SECTION AT WINNIPEG—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the continuing dissatisfaction exhibited by the

employees of the finance section of Air Canada at Winnipeg manifested by their walkout for a study session and their mandate for a strike their membership has given, as well as the fact that the company has been slow to answer the commissioner's report, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the House instruct the Minister of Labour to take immediate steps to have Air Canada deal with the report and make every effort to avert any further labour disputes before a strike occurs.

Mr. Speaker: Standing Order 43 requires unanimous consent for this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE LATE GORDON DUBROY

Mr. Speaker: Before proceeding with the question period, hon. members, I hope, will bear with me while I report to them the rather tragic news of the death last night in an Ottawa hospital of Gordon Dubroy. As I had indicated earlier, there was every intention, following Mr. Dubroy's retirement last spring, to honour him at the opening of parliament on October 14. He had accepted our invitation to come here and to receive what we know would have been glowing tributes paid to him by all parties in the House.

I intend to speak personally, in attempting on your behalf to somehow describe the affection and respect in which this former servant of the House of Commons was held, by saying that when I was first elected to this very honoured position, I made a personal request that he postpone his retirement in order that my first year in this office be supported by his expertise, his advice and counsel. He was good enough to do that, I think, for two reasons: first of all, because of his interest in seeing as good a performance from any Speaker as possible, and he knew that his advice would be of some assistance; and second, I think, because although he was eligible at the time for retirement, he wanted to continue to play the active and important role that he had played in advising all of us on procedures of the House. Therefore, he stayed on, much to the betterment of the performance of the incumbent in this office and much to the betterment, of course, of the precedures of parliament during that time.

He had spent some 35 years in the service of the House of Commons, and I know that he will be deeply missed by all of us. I hope I have somehow adequately expressed on your behalf the regret that we feel. May I ask all hon. members to rise and observe one minute of silence as a tribute to him.

[*Whereupon the House stood in silence for one minute.*]

[Mr. McKenzie.]

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON ORDER IN WHICH ISSUES NEGOTIATED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Postmaster General, but before I do, I should like to say that I am pleased to see him back in the House despite the reports of ill health over the weekend.

Some hon. Members: Hear, hear!

Mr. Stanfield: If I may presume to give a little advice, I suggest that the Postmaster General not make too many demands upon his health, and ultimately he will come to the same conclusion I did: that there is no one who is really indispensable.

I should like to ask the Postmaster General whether upon resuming negotiations the union has accepted what has appeared to be a condition imposed by the Treasury Board and those negotiating on behalf of the government that the union should accept the conciliation board report with regard to salaries and salary ranges before there be any further negotiation of the other elements in dispute.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I thank the hon. gentleman for his kind wishes and remind him that there is a saying with which the right hon. gentleman from Prince Albert will agree, and that is that only the good die young, so I take solace from that.

Mr. Fairweather: I think you'd better take the rest of the afternoon off.

An hon. Member: You'll live to be a hundred.

Mr. Mackasey: Negotiations resumed today at two o'clock. We have agreed to negotiate in whatever order or fashion the union thinks preferable. I must remind the House that we do not have the right to lock workers out. Whether or not the union felt that we had delivered an ultimatum that was hardly a reason for calling a strike. In any event since we are prepared to negotiate money later on rather than immediately, it goes without saying that the sum of $1.70 for 30 months is something the union may or may not be able to eventually negotiate.

Mr. Stanfield: Are the government negotiators no longer taking the position that the union has to accept this wage package before negotiating other questions?

Mr. Mackasey: We are also taking the position that $1.70 for 30 months is not necessarily automatically available in so far as the workers are concerned, and depending on other issues they could conceivably end up with a much lesser sum of money.

● (1420)

STRIKE OF INSIDE WORKERS—POSSIBILITY OF RETURN TO WORK AS PREREQUISITE OF NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Has the government advised the union that a return to work order is a prerequisite to continuing negotiations in good faith?

Hon. Bryce Mackasey (Postmaster General): There are many workers who want to go back to work and Yarmouth, Nova Scotia is an example. Provided their democratic right to work is not interfered with by goons, I suspect many people will go back to work on their own.

STRIKE OF INSIDE WORKERS—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION—SETTLEMENT SUBJECT TO APPROVAL OF ANTI-INFLATION BOARD

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Acting Prime Minister. Has the government decided on the length of time that the postal strike will be allowed to go on with or without continuing negotiations before back to work legislation will be introduced? If so, what is the length of time?

Hon. Mitchell Sharp (Acting Prime Minister): The answer is no, Mr. Speaker.

Mr. Clarke (Vancouver Quadra): A supplementary question. Is it still the position of the government that any settlement reached in the current negotiations will be subject to the approval of the Anti-Inflation Board?

Mr. Sharp: Mr. Speaker, that will be the law as soon as this legislation has been approved by this parliament.

* * *

NATIONAL SECURITY

SUGGESTED INQUIRY INTO REASONS FOR INVOKING WAR MEASURES ACT IN OCTOBER, 1970

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Acting Prime Minister. Considering that during the course of a CBC television program last night, Premier Bourassa and the Hon. Eric Kierans, who was a member of the federal cabinet in 1970, said that at the time of the invocation of the War Measures Act five years ago there was not at that time an apprehended insurrection in the province of Quebec, and considering that the act in question led to the most serious denial of basic civil liberties for many Canadians, I should like to ask the Acting Prime Minister, in view of those serious statements by responsible people directly involved, if, with the provision of this new information the government would, under the Inquiries Act, bring about an investigation into the causes and justification for the invocation of the War Measures Act in October, 1970?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, by way of reply may I read one or two sentences from the letter written to the Prime Minister of Canada by the Premier of Quebec on October 16, 1970:

> The Quebec government is convinced that such powers are necessary to meet the present emergency. Not only are two completely innocent men threatened with death, but we are also faced with an attempt by a minority to destroy social order through criminal action; it is for those reasons that our government is making the present request.

Mr. Broadbent: A supplementary question, Mr. Speaker. Since the reading of that quotation deals not one whit with the question I asked—

Some hon. Members: Oh, oh!

Mr. Broadbent: It does not at all even though a particular minister of the Crown may think it does. I would refer to the point that apparently Mr. Bourassa said something quite different last night than was written then, and perhaps verbally even said something different at the time. I know not. Considering the statements made last night by the Premier of Quebec, and considering also the statement made in the House of Commons by the then minister of justice on October 16, recorded at page 215 of *Hansard* as follows:

> It is my hope that some day the full details of the intelligence upon which the government acted can be made public, because until that day comes the people of Canada will not be able fully to appraise the course of action which has been taken by the government.

Given that expressed desire by the minister of justice at the time and the lapse of a five year period, I should like to repeat the question to the Acting Prime Minister: would the government not now consider making the full inquiry that is possible only within the terms of the Inquiries Act?

Mr. Sharp: No, Mr. Speaker, that is not the government's intention. I should say to the hon. gentleman, however, that at the time the government did indicate its desire to have a better instrument for dealing with crises and emergencies in peace time other than the War Measures Act, and it is still the intention of the government to bring forward a measure of that kind for consideration by parliament.

Mr. Broadbent: A final supplementary, Mr. Speaker. Is the Acting Prime Minister saying that, notwithstanding the expressed desire of the then minister of justice and, if I remember correctly, other ministers of the Crown at the time, that after a period of time elapsed there was a desire to provide full details which presumably would have justified the government's action, the government does not under any circumstances plan to conduct such an inquiry?

Mr. Sharp: Mr. Speaker, I find it difficult to answer a question which says "under any considerable circumstances" but it is not the intention now of the government to have such an inquiry.

Mr. Stanfield: You can bet your life on that one.

* * *

[*Translation*]

OLYMPIC GAMES

MEASURES TO LESSEN THE BURDEN OF DEBT—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Finance.

Because of the increasing cost of the Olympic Games facilities and the enormous deficits that will accumulate and fall back on the shoulders of the Montreal ratepayers, can he tell the House whether he intends to introduce measures to lessen that burden?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker.

Mr. Beaudoin: Mr. Speaker, I have a supplementary.

As the Olympic Games are national in character, whether we want to or not, and as their image reflects on the whole country, can the minister give the House the assurance that the necessary steps will be taken to ensure that Messrs. Jean Drapeau, mayor of Montreal, and Robert Bourassa, premier of Quebec, for whom the Olympic Games have become a matter of personal prestige, are required to give a public explanation of the situation, so that the public can know what is really going on, and more specifically to say what they intend to do about the deficits incurred through the construction of the Olympic site?

Mr. Macdonald (Rosedale): Mr. Speaker, the government has indicated to the House what steps it was prepared to take with regard to the Olympic Games, and what share of the financial burden it is willing to assume. We have no other assurance to give in that regard.

ALLEGED SURVEILLANCE OF WORKERS BY RCMP—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a last supplementary to put to the Solicitor General.

In view of the general trend which the Olympic Games seem to take, can he tell us by what right and by virtue of what principle the agents of the Montreal police force and some federal officers, accompany and watch the Olympic site workers to make sure that the deadlines are met, thus creating a totally abnormal situation? Would he also tell us whether he is willing to advise the Quebec Minister of Justice of the incomprehensible behaviour on the part of those policemen towards the Olympic Games site workers?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as far as I know we have no responsibility for that matter.

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AIRPORTS

MIRABEL—POSSIBLE INVESTIGATION OF CONSULTANTS' FEES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Minister of Transport. In view of the increasing public awareness of the situation at Mirabel, does the minister now feel that he is fully briefed and in a position to confirm that investigations are being carried out with respect to certain aspects of the airport, and is he also able to say whether any of the consultant fees have been held up pending results of any investigations?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think often the public is aware of a falsely reported rumour concerning Mirabel rather than facts and, certainly, a good deal of what was depicted last night was not founded on fact. I have been adequately briefed and am able to confirm that to hon. members. Also, one often hears loose talk, since any time anybody voices a complaint a certain kind of investigation follows that complaint, however ill-founded it may be. That, in itself, amounts to very little. I know of no truth to the allegation regarding consultants' fees to which the hon. member referred.

MIRABEL—CONFORMATION OF RUNWAYS TO ICAO STANDARDS—DIFFICULTIES WITH PASSENGER TRANSFER VEHICLES

Mr. Elmer M. MacKay (Central Nova): A supplementary question, Mr. Speaker. I thank the minister for his answer. Can he assure the House that Mirabel runway designs and specifications conform with Annex 14 which, as the minister knows, dictates the requirements for ICAO operational safety standards. Also, can he confirm that severe operational difficulties are already becoming apparent with respect to the 14 passenger transport vehicles purchased for Mirabel against the advice of many knowledgeable people.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there was a well publicized difficulty about a vehicle which contained important guests, but I think it was a matter of somebody not knowing which switch to pull at the right time. I can confirm to hon. members that not only do the runways conform to ICAO standards; they conform to the much higher standards which Canada ordinarily applies. I was informed of that firmly during tight cross-examination this morning.

MIRABEL—ROLE OF DEPARTMENT IN DESIGNING RUNWAYS

Mr. Ron Huntington (Capilano): Mr. Speaker, I, too, wish to direct a question to the Minister of Transport, of which I gave notice. Did the Ministry of Transport staff do the design and engineering work for Mirabel airport runways, aprons and taxiways.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, they did a good deal of that work, but I should want to be very specific about specific jobs. I understand that the Ministry of Transport did about a third of the design, in the over-all operation of the airport. I think the design was heavily related to the airport's runways and taxiways.

Mr. Huntington: A supplementary question, Mr. Speaker. I wonder if the minister can explain why the official BANAIM list of consultants shows the Department of Transport as the only agency involved in the design of runways, aprons and taxiways.

Mr. Lang: Mr. Speaker, I indicated in my earlier reply that I should be glad to check specifically whether anybody else was involved. They were certainly heavily involved in that particular work. If the hon. member will give me a bit of time, I will check and confirm whether they were actually totally involved and no one else was

involved in any part of the consultation in relation to them. That is the only limitation I would make in my answer.

* * *

● (1430)

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—TYPE OF MEASURE USED TO STRENGTHEN CONTROLS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of earlier questions raised by the Leader of the Opposition and the leader of the New Democratic Party. The Prime Minister is reported as having stated that unless the so-called voluntary restraints provided under the bill now before the House are effective, the government intends to take stern measures. Having regard to the fact that there is this war legislation which was improperly invoked in 1970 and the Prime Minister says that the government has in mind stern legislation, will the Acting Prime Minister advise whether it is something in the nature of the War Measures Act which will deny civil liberties when there is an infraction on the part of those who do not live entirely within the provisions of the bill now before parliament when it becomes law?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we hope this will not be necessary.

Some hon. Members: Oh, oh!

Mr. Sharp: If it is necessary to strengthen the controls that are included in the bill that is now before parliament, it will be the intention of the government—and I of course hope this will not happen—to introduce another piece of legislation. The government would not depend upon the War Measures Act.

Mr. Diefenbaker: Mr. Speaker, that answer leaves a lot unanswered. I simply ask him this: Having regard to the fact that the bill now before the House does pretty well insofar as those covered by it are denied their civil rights, will the minister advise whether if that is not sufficient, the government has a measure already drafted and considered whereby measures equivalent to those permitted under the War Measures Act will be brought into effect.

Mr. Sharp: Mr. Speaker, as the right hon. member knows, under the War Measures Act, it is possible in these circumstances to supplant parliament. During wartime, nearly all the control legislation was enacted under the War Measures Act. The government has no intention of anything of this kind. If it is desirable to beef up the controls, that will be done by this parliament.

FINANCE

POSSIBILITY OF ACTION TO RESTRICT GROWTH IN MONEY SUPPLY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Finance. As the United States government has achieved such satisfactory results in reducing inflation by restricting the annual increase in the money supply to between 5 per cent and 7½ per cent, is the government considering a policy of keeping the annual rate of increase of our money supply to a comparable range of increase, at least until the rate of inflation has been reduced to a satisfactory level?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there are really two separate questions here. The first is restricting the rate of increase in the money supply and, second, setting out in advance the specific rate to which the increase will be kept. With regard to the first part, as indicated in the announcement of the Governor of the Bank of Canada in September, there will be an effort to restrict the rate of increase in the money supply. While from month to month there may be variations in this, the long run goal over a year will be to have a very much less substantial increase. I am advised, for example, that the effects in the payment system caused by the postal strike this month will produce an increase in the money supply. However, it is anticipated that over the year, the rate of increase will be reduced.

On the second point as to whether a specific goal will be announced in advance, this has been much discussed at length both here and in the United States. I gather there is some debate as to the soundness of the policy adopted by the federal reserve system. At the moment, the government is not advocating such a statement, although the American experience is being closely watched.

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CANADIAN PACIFIC RAILWAY

LAY-OFF OF EMPLOYEES AT WINNIPEG—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Prime Minister, may I direct a question to the Minister of Labour based on commitments that both the Prime Minister and the minister made to workers in Winnipeg who have been laid off from the CPR shops. In view of the commitments that both gentlemen made to these workers last week to the effect that they would look into the matter to see what could be done, is there anything the minister can now say with regard to the reinstatement in their employment of these 760 railway workers?

Hon. John C. Munro (Minister of Labour): Nothing specific at the moment, Mr. Speaker. The hon. member is quite correct. I said, as did the Prime Minister, that we will look into the situation and try to come up with some curative for what is obviously a very serious situation causing hardship to a good number of people. I discussed this with the Minister of Manpower. I hope to have further discussions this week with my colleagues, including the

Minister of Transport, on the question. I hope to be more specific later.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that telegrams from representatives of these unemployed railway workers were sent last night or this morning to the Prime Minister, the Minister of Labour and the Minister of Transport, can we be assured that these telegrams will be answered as quickly as possible?

Mr. Munro (Hamilton East): Yes, Mr. Speaker.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. PIERRE BERNARD COUSTÉ, VICE-PRESIDENT OF EUROPEAN PARLIAMENT

Mr. Speaker: With the consent of members of the House, I should like to call their attention to the presence in our gallery of a very distinguished delegation from the European Parliament, headed by their leader, the Hon. Pierre Bernard Cousté, Deputy Speaker of the European Parliament.

[*English*]

In calling attention to the presence of this very distinguished delegation in the gallery, I want to indicate that this is the first occasion since our pronounced intention to strengthen our bonds with the European Parliament that we have been honoured by a national delegation from the European Parliament. They will be here for several days. We will make every effort to make them feel as welcome among us as they made our delegates feel on their side of the ocean. We will certainly do everything possible to foster the spirit of friendship and co-operation between our two parliaments.

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BROADCASTING

REQUEST FOR REINSTATEMENT OF EDUCATIONAL TECHNOLOGY PROGRAM

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I wish to direct my question to the Acting Minister of Communications. Has the minister been made aware of the request of the B.C. School Trustees Association, transmitted by letter to the Minister of Communications on October 6, 1975, that the federal government's educational technology program be reinstated and, if so, what consideration has been given this request?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I will be pleased to check into this and report back to the hon. member.

[Mr. Munro (Hamilton East).]

PUBLISHING

SALE OF WORKS OF CANADIAN AUTHORS IMPORTED FROM UNITED STATES WITHOUT PAYMENT OF ROYALTIES— GOVERNMENT ACTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. What steps has the minister taken to protect Canadian authors whose works are published in the United States and sold in Canada without the author or the Canadian publisher being entitled to either royalty or commission? This matter was first raised some months ago and the minister promised action. Have any charges been laid?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, this question was discussed several months ago. The Minister of National Revenue then issued some guidelines to cope with the situation. We had been asked, if you remember, that an amendment be brought to the legislation. I had rejected that suggestion leaving to understand that the consumers' interest should prevail and that it was not the best solution. I think that some administrative action has been taken by the Department of National Revenue to solve some aspects of the matter.

[*English*]

Mr. Fairweather: Mr. Speaker, I will direct my supplementary question to the Minister of National Revenue. In view of the fact that just last week the situation had not been remedied and authors were suffering because of this, what steps has the minister taken to end what is clearly an illegal and immoral situation.

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I agree with the conclusions reached by the hon. member. I will not say this is news to me. Until I have a little more thorough grasp of the situation, I would not like to commit myself.

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TRANSPORT

GOVERNMENT INTENTIONS WITH REGARD TO USE OF CANADIAN SHIPS TO MOVE OIL FROM ARCTIC

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I would like to take the Minister of Transport up north for a few minutes. Will the minister give some indication as to the intention of his department with regard to the closing of the Arctic to Canadian vessels for the purpose of extractive industries? I ask this in light of the discovery by Panarctic of what appears to be a commercial amount of oil, their intention to deliver that oil by vessel and against the background of their having gone to Europe for planning and technology with regard to ships with a northern capability of removing this oil. What are we doing?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have a couple of efforts underway. One is in relation to the development of ice-breaking cargo vessels. We

are in the final stages of a decision with regard to one leg of that. In addition, we have been continuing some advance feasibility studies in relation to far northern ice breaking capability of ice breakers of a new and very superior kind. Of course, the next steps in that regard will take some time.

● (1440)

Mr. Forrestall: Perhaps I could put the question more directly to the minister. Can he tell us whether or not it is the intention of the government to close the Arctic to Canadian ships and Canadian crews for the purpose of removing extractive oils and minerals which are there?

Mr. Lang: Mr. Speaker, I have never heard of such a suggestion.

Mr. Forrestall: One final supplementary question. Would the minister kindly have a conversation with the former minister to see whether he can learn something about the protection which is required with respect to the north? I ask the minister very seriously whether or not he has advised himself of the practicalities and of the past commitments by the government with respect to the closing of the Arctic, the high Arctic, those waters above 60 degrees north parallel, for the purpose of removing Canadian ores and Canadian oils by Canadian ships?

Mr. Lang: My difficulty is that the hon. member is now asking whether we are proposing to close the Arctic to Canadian ships, and I am not sure if we are on the same wavelength.

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BILINGUALISM

SUGGESTED DELAY IN IMPLEMENTATION OF PHASE II—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to address my question to the President of the Treasury Board, wherever he has gone. In his absence, however, I am prepared to put it to the Acting Prime Minister. In view of the statement made by the National Joint Council over the weekend dealing with the implementation of the controversial Phase II of the bilingualism program for the public service, would the Acting Prime Minister inform the House whether the government is now prepared to approve the position taken by the National Joint Council that no part of that program is to be implemented unless and until there has been full consultation with the staff associations, and is the government through the President of Treasury Board prepared to make a statement in the House with respect to this matter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. member himself has said, we have received these representations and I will see whether it will be possible for a reply to be made to Members of the House.

IMPLEMENTATION OF PHASE II—REASON DECISION TO PAY BONUSES FOR SECOND LANGUAGE NOT ANNOUNCED

Mr. Walter Baker (Grenville-Carleton): Again to the Acting Prime Minister. As part of the implementation program the government has devised a scheme whereby financial bonuses will be paid to employees based on second language skills. Would the minister please inform the House why this decision, which was apparently made by cabinet on April 17, 1975, was never communicated to parliament and whether it is now the intention of the government to proceed with this program, one which provides for subjective testing and could lead to misunderstandings and unfairness in the public service? If the Acting Prime Minister is not prepared to deal with this matter today, could he arrange to have a statement on motions made in the House?

Hon. Mitchell Sharp (Acting Prime Minister): I would say to the hon. member that the program which has been put in hand is one which is in accordance with the declarations and statements of policy which have been made in this House.

Mr. Baker (Grenville-Carleton): In view of the statement just made by the Acting Prime Minister, perhaps I should inform him that that is precisely why the National Joint Council had to meet—because the decision was not in accordance with the declarations made by this House in June of 1973. Perhaps the Acting Prime Minister should inform himself of the situation.

Some hon. Members: Hear, hear!

Mr. Sharp: That is a matter of opinion.

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ENVIRONMENTAL AFFAIRS

ACCURACY OF DEVICES FOR MEASURING POLLUTION AT SYNCRUDE PROJECT—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Environment. Is the government satisfied with the accuracy of the devices used for measuring pollution around the Syncrude project in the Athabasca tar sands?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the responsibility for this particular area is definitely that of the Alberta government. However, because of the expertise we have gained in the administration of the Clean Air Act, the Alberta government has asked us to review a study prepared by Syncrude. We indicated at the time that we are dissatisfied with this study which did not comply with our requirements as to possible pollution hazards, and we informed the Alberta government of our point of view. Moreover, in order to help this government meet the conditions which are indispensable to protect the atmosphere, we have agreed with the Alberta government to carry out a study of the environment hazards resulting from the planned development of the Athabasca oil sands. This study may cost up to $40 million. The cost will be shared equally by the Alberta

government and the federal government, over a period of five years.

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[*English*]

AIR TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—REQUEST FOR PUBLIC INQUIRY

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of Transport. It concerns a recent release by his department of a report with respect to the air disaster at Rae Point in the Arctic last year. In view of the fact that the report places the blame for the accident on the pilot in charge of the flight and in view of the fact that this same pilot was classified as qualified to fly the Queen in the Arctic in the summer of 1969—although he did not, in fact, do so because his aircraft was unserviceable—would the minister take immediate steps to see that a full public inquiry is made into this disaster?

Hon. Otto E. Lang (Minister of Transport): I would not wish to associate myself with specific words which seek to determine where blame should be placed. I think I would rely upon the report as having spoken for itself and put the matter rather more technically: as far as transport safety is concerned we are satisfied with what has come out during the investigation and what we can learn about flying in remote areas. There are, of course, other proceedings going on at which further matters can be raised and dealt with and at this point in time I would think those proceedings would be adequate.

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REGIONAL ECONOMIC EXPANSION

ALLEGED FAILURE TO HAVE PROGRAM ADOPTED BY BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is one for the Minister of Regional Economic Expansion who expressed his satisfaction to the House last week when reporting that his department will continue to develop in spite of restraints, and his hope that there would be further expansion. I should like to ask the minister whether, since assuming his portfolio, he has found it possible to address himself to the situation affecting British Columbia where the program has never worked, and particularly to the problem of the inability to sell the program to that particular provincial government?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I would like to inform the hon. member that, although we did face some difficulties in our negotiations prior to the signature of the agreement, since then negotiations that have taken place on the contingent signature of an auxiliary agreement have followed their normal course and we hope to be able to take part in the next few months with the local government of British Columbia in some projects which are considered as top priority by the two governments and which are now under consideration.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

SUGGESTED REFERENCE TO LAW REFORM COMMISSION OF RIGHT TO DISCONTINUE PRESERVATION OF LIFE BY ARTIFICIAL MEANS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Justice and in his absence I will refer it, if I may, to the Acting Prime Minister. Bearing in mind that United States courts will render a decision this week establishing a precedent that may be followed in Canada concerning the rights of parents to discontinue the preservation of a child's life by artificial means when that child has suffered irreversible brain damage and is in a comatose state, will the Minister of Justice give immediate consideration to directing the Law Reform Commission to immediately study and report at their earliest convenience on this matter involving the right to life and the extent of the duty to preserve it?

● (1450)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we will give this representation consideration.

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GRAIN

SUGGESTED DEFERRAL OF INCOME TAX ON ADJUSTMENT PAYMENTS—GOVERNMENT ACTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, in view of the answer given by the minister in charge of the Canadian Wheat Board on October 17 to a question put to him by the hon. member for Medicine Hat, stating that he was looking into the question of allowing producers to elect to defer income tax on adjustment payments on grain sales prior to October 9, would the minister advise whether he has made a decision, and will he bring in the necessary legislation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it was not in my mind at that stage that this involved a question of legislation, but a question as to whether under the existing law it might be possible to act in a certain way to produce that result for at least certain of the producers who would want that. We have been conducting discussions, particularly with the Department of National Revenue, in that connection, but these discussions are not yet completed.

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBLE EXECUTION OF PROJECT BY PRIVATE CONTRACTOR

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

Once a municipality has a LIP project accepted, can the minister tell the House whether this municipality may invite tenders and ask a private contractor to execute the project?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that is not in the potential operation of the program. We designed this as an anti-unemployment program and the purpose is to hire people who otherwise would not find employment, and I would find that practice unacceptable.

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FINANCE

REQUEST FOR STATEMENT ON REDUCTION OF GOVERNMENT EXPENDITURES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. At the conclusion of the debate on Bill C-73, I asked the Minister of Finance about the government's intention with regard to constraints on its own spending and I got the usual meaningless answer about the matter being in the hands of the President of the Treasury Board. I now ask the Acting Prime Minister whether it is the intention of the government, before the debate on Bill C-73 is concluded at all stages in parliament, to indicate with precision precisely the extent to which it is prepared to make sacrifices in order that it will show an example for the rest of Canada?

Mr. Chrétien: Read the budget of June.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think it will be possible to cross all the t's and dot all the i's before the estimates are presented to parliament at the usual time. I do know that the particular cuts announced in the budget in June have gone into effect.

Mr. Baldwin: They were not cuts.

Mr. Sharp: There will be more coming. I would like to say in defence of my colleague, the President of the Treasury Board, that he is the toughest man we have had in this job for a long time.

[*Translation*]

FISHERIES

REQUEST THAT THERE BE NO REDUCTION IN PATROLS ON WEST COAST

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the absence of the Minister of State for Fisheries (Mr. LeBlanc), I want to put a question to the Minister of the Environment.

Can the minister assure the House and the nation in a non equivocal way that the vessels whose task is to guard and protect our fishing resources will keep on doing their job without interruption or reduction, that is in their usual way, in the days and months to come, in spite of the restrictions announced lately by the government.

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, we have never shrunk from our duty to protect fishermen and the areas where they are entitled to fish.

Mr. Munro (Esquimalt-Saanich): A supplementary, Mr. Speaker.

In light of the answer given by the minister, I should like to ask her how she can reconcile this answer with the fact that there is only one patrol boat on the west coast although there are 19 foreign fishing boats, Polish, Japanese, Korean and Russian boats, within the zone limit.

Mrs. Sauvé: Mr. Speaker, the hon. member probably thinks that one vessel is not enough to control 19 boats. Nevertheless, the Minister responsible for this control should decide how many boats are necessary in the circumstances.

* * *

[*English*]

AGRICULTURE

REQUEST OF OKANAGAN APPLE GROWERS FOR EQUALIZATION OF FREIGHT RATES WITH THOSE CHARGED WASHINGTON STATE GROWERS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, bearing in mind that there is now a differential in freight rates of 43 cents per bushel box of apples in favour of Washington State over the Okanagan Valley shipping to Toronto or Montreal, and in view of the fact that this differential has to be absorbed by the apple grower at the farm gate, I would ask the Minister of Agriculture what action he has taken to answer the request of the apple growers of the Okanagan Valley to help in equalizing these rates?

Hon. E. F. Whelan (Minister of Agriculture): None at the present time, Mr. Speaker.

SUGGESTION TAX REMOVAL BE APPLICABLE TO USED FARM MACHINERY

Mr. Arnold Malone (Battle River): Mr. Speaker, I would direct my question as well to the Minister of Agriculture. I noted during the course of the summer that

there was a special tax to be taken off new machinery purchased by farmers. In view of the representation or suggestion that failure to remove it in respect of used machinery will discriminate against small farmers and devalue used farm machinery, will the minister give consideration to having that same tax relief applied to used as well as new machinery?

Hon. E. F. Whelan (Minister of Agriculture): I will look into the matter, Mr. Speaker.

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AIR CANADA

DISPUTE WITH EMPLOYEES OF FINANCE BRANCH IN WINNIPEG—GOVERNMENT ACTION TO SETTLE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, over the past three years there has been continuous labour unrest at the finance branch of Air Canada in Winnipeg. I have raised this matter in the House on numerous occasions, bringing it to the attention of the present Minister of Labour and the former Minister of Transport, neither of whom was able to solve the job description and job security issues. Will the minister investigate this three year old problem to see whether he can negotiate a satisfactory solution between Air Canada and its finance employees before they go on strike? Perhaps he might consider tabling the Estey report on the investigation he conducted into these problems of the finance branch, thus assisting all members on both sides of the House to perhaps help find a solution to this problem.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will certainly see what I can do to find a solution to this problem. Of course, the Estey report cannot be made public until it is translated and printed, and that will require some time.

* * *

OLYMPIC GAMES

REQUEST FOR ASSURANCE MEDALLIONS MINTED IN CANADA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of Olympic coin sales falling badly behind schedule and the intention to mint and distribute cheaper Olympic medallions, will the President of the Treasury Board assure the House that these or any other medallions for the purpose of raising funds for the Olympic games will be minted in Canada and not by a Swiss firm which has already received the go ahead by COJO?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I do not know all the implications of the hon. member's question, but obviously COJO will have to comply with the policies established by Parliament regarding the financing of the Olympic Games. If that decision is not covered by the act, it will have to be considered.

[Mr. Malone.]

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I had a question for the Minister of National Revenue but he has left the Chamber.

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SCIENCE AND TECHNOLOGY

REPORT OF ROBERT GRASLEY ON AVAILABILITY OF RISK CAPITAL FOR TECHNOLOGICAL INNOVATION—GOVERNMENT ACTION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, during the recess the Minister of State for Science and Technology released a report by Mr. Robert Grasley on the availability of risk capital for technological innovation. In view of the many important and very valid recommendations and observations contained in this report, will the minister give an indication to the House as to the disposition of the report and any government action that will or has resulted from it?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, the report having been translated was published with a view to seeking public comment. We are now in the process of receiving those comments, and when a reasonable time has elapsed the proposals, if any, will be made by the government.

Mr. Andre: Mr. Speaker, in order that this very well done study which contains a number of very important recommendations does not end up gathering dust on the shelf, as many other similar government reports have in the past, would the minister consider referring the report to an appropriate standing committee of the House with the reference that it develop a plan of action for the implementation of the recommendations in this report?

Mr. Drury: Mr. Speaker, I will certainly give consideration to that representation, but I think it is perhaps a little early yet to do that.

● (1500)

Mr. Nystrom: I notified you last week, Mr. Speaker, of my intention to raise a question of privilege. Unfortunately, however, the Prime Minister again could not be here. With respect to the Prime Minister, I want to defer that question until he returns tomorrow.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following ques-

tions will be answered today: 2,304, 2,816, 3,010, 3,091, 3,158, 3,161 and 3,166.

[*Text*]

GUIDELINES APPLIED FOR THE PROCUREMENT OF ANTIQUES AND CANADIANA

Question No. 2,304—**Mr. Towers:**

1. What guidelines are applied in the procurement of antiques and Canadiana by Heritage Canada, the National Museum of Man or any other government agency or department for public viewing?

2. At what level are decisions made as to the choice of such purchases?

3. Are export permits required to sell antiques and Canadiana beyond Canadian borders and, if so (a) on what basis (b) on how many occasions have such restrictions been imposed?

4. Does the government compete with bids received by dealers and/or individuals, for instance, from the United States, for antiques and Canadiana?

5. Is there a maximum amount allowed for the purchase of any single item by the government when attempting to retain these in Canada and, if so, what is such amount?

6. Does the government automatically purchase such items when their export is prevented and, if not, what incentives are there for vendors to retain antiques or Canadiana rather than sell to the higher foreign bidder?

7. (a) What protection does the antique dealer or individual have if he is denied the right to export to a prospective purchaser outside Canada (b) is the right to export denied only because the government will purchase the item or items in question?

8. Is emphasis centered on any specific region of Canada when purchasing antiques or Canadiana such as the Maritimes, Quebec, Ontario or the Western Provinces and, if not, does the government make periodic assessments of the proportion of such displays representing each area?

9. By what means is the government assured that each province is represented on an equitable basis in federal museums or other displays?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned: 1. Procurement of antiques and Canadiana by the National Historic Parks and Sites Branch of Parks Canada is confined to the acquisition of artifacts required for the period furnishing of structures which have been declared of national historic significance on the recommendation of the Historic Sites and Monuments Board of Canada.

2. Recommendations for procurement are made by the curator qualified in the pertinent field of expertise. Approval for acquisition is made at the appropriate level of financial responsibility.

3. The Secretary of State is sponsoring legislation relating to the export of antiques and Canadiana.

4. Yes.

5. No, each individual item is assessed on its own merits.

6. See reply to 3 above.

7. See reply to 3 above.

8. No.

9. National Historic Parks and Sites are in operation and/or under development in all the provinces and territories.

In so far as the Department of the Secretary of State and the National Museums of Canada are concerned: 1. On behalf of the National Museums of Canada and its component museums and institutions (the National Gallery of Canada, the National Museum of Man, the National Museum of Natural Sciences, the National Museum of Science and Technology and the Canadian Conservation Institute): the guidelines are extensive and vary according to the different requirements of each institution and according to the nature of the article to be purchased; on major purchases curators with expertise in the relevant period examine the article to be purchased or outside expert advice is considered before purchase.

2. On behalf of the National Museums of Canada and its component museums: decisions are made by several senior officials and others, according to the circumstances and amount of funds required.

3. At the present time export permits are not required. Until such time as Bill C-33 is proclaimed there are no restrictions.

4. On behalf of the National Museums of Canada and its component museums: Yes.

5. On behalf of the National Museums of Canada and its component museums: no, only availability of funds at the time limits maximum to be spent on approved items.

6. The answer to the first part of the question is no, not at the present time. The Emergency Purchase Fund is used to purchase heritage items in danger of leaving the country.

7. The question does not apply.

8. On behalf of the National Museums of Canada and its component museums: the board of trustees, through the director of each national museum, continually attempts to ensure that the museum collections are balanced and representative within the limitations of the budget. Artifacts in the museums are categorized in many ways including by place of origin.

9. On behalf of the National Museums of Canada and its component museums: we try to assure this representation by appointments to the board of trustees, to the consultative committee and to other advisory committees of Canadians from all across Canada. In the allocation of grants we are careful always to consult the appropriate provincial official. Above all the Secretary General of the National Museums of Canada and the directors of the component museums are conscious that they are administering a federal institution.

AIR CANADA—TERMINAL II, TORONTO

Question No. 2,816—**Mr. MacKay:**

1. Was an authority for expenditure bearing reference number YYZKK-02-74 dated January 3, 1974, processed in the amount of $1,204,216 of funds, paid to the Department of Transport for rental of space in Terminal II of the Toronto International Airport and, if so, was this approved and authorized according to regular financial control procedures and authorized by the proper official of Air Canada?

2. At the time in question, was any conclusive and accurate determination of the space and facilities in question detailed in the form of a lease, or was this payment merely "on account" in lieu of regular formal arrangements?

3. In the interim, have precise negotiated rates been formalized in the form of a lease and, if so, what is the monthly rental currently being paid by Air Canada for space in Terminal II?

4. Is such rental in accordance with rates being charged other tenants?

5. How does the rate per sq. ft. compare with that paid by other airlines?

Hon. Otto E. Lang (Minister of Transport): The management of Air Canada advises as follows: 1. An Air Canada authority for expenditure bearing reference number 37-727-02 was raised in accordance with regular financial procedures in January, 1974 for the amount of $1,204,216 to cover interim rental billing from the Ministry of Transport for Air Canada's occupancy of Toronto Terminal II. Because the terms and conditions of the lease were found to be not acceptable, the AFE was not approved and the payment not made.

2. A detailed lease was being negotiated at that time describing the space and facilities in question.

The Ministry of Transport advises as follows: 3. Yes. Rental is $109,364 per month.

4. Yes.

5. Rates per square foot are on the average of 17 per cent higher than those paid by other airlines in Terminal Building I.

PERSONS ASSOCIATED WITH CROWN CORPORATIONS

Question No. 3,010—**Mr. Huntington:**

Since 1968, has Mr. Pierre Des Marais II, Director of Telemedia (Quebec) Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of Transport and the Business Advisory Council, Department of Industry, Trade and Commerce as follows: The Management of Air Canada advises as follows: Mr. Pierre Des Marais II is: (i) Member, (ii) Board of Directors of Air Canada, (iii) December 15, 1969, to date, (iv) Elected and re-elected by the shareholders, (v) By the shareholders of the corporation at the annual meeting of December 15, 1969 and again on May 27, 1975.

The Management of Canadian National Railways advises as follows: Mr. Pierre Des Marais II is: (i) Director, (ii) Canadian National Railways, (iii) November 7, 1969, to date, (iv) Appointed, (v) By the Governor in Council. At the invitation of the Minister of Industry, Trade and Commerce Mr. Paul Des Marais II was a member of the minister's Business Advisory Council from January 1968 to December 1970.

PERSONALLY IDENTIFIABLE INFORMATION ON CERTAIN INDIVIDUALS

Question No. 3,091—**Mr. Beatty:**

1. Since 1970, has (a) Statistics Canada (b) the Department of National Revenue received any requests from third parties (i) within (ii) outside the government for personally identifiable information about individuals which was collected from those individuals under the threat of penalties for failure to disclose the information to the government?

2. In each case, what was the response of Statistics Canada or the Department of National Revenue to such requests?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Statistics Canada and the Department of National Revenue as follows: 1. (a) and (b) (i) Yes; (ii) Yes.

2. The response from Statistics Canada in each case was that unless permitted under Section 16 of the Statistics Act, the confidentiality of identifiable information is guaranteed by law and accordingly all such requests were denied. No records are maintained in the Department of National Revenue which would provide the information necessary to answer this part of the question. However, as a matter of general policy, (a) information is provided to other federal agencies and provincial governments in accordance with legal entitlements. (b) Identifiable information concerning individuals is not provided to third parties outside government except in cases of subpoenas from competent courts in criminal matters and in cases of information exchange with governments of other countries under reciprocal income tax treaties.

BUDGET OF THE COMMISSIONER OF OFFICIAL LANGUAGES

Question No. 3,158—**Mr. Reynolds:**

1. What was the budget of the Commissioner of Official Languages for (a) 1972 (b) 1973 (c) 1974?

2. How many employees worked directly for the Commissioner in (a) 1972 (b) 1973 (c) 1974 and, in each case, how many (i) were bilingual (ii) had English as their mother tongue (iii) had French as their mother tongue?

Hon. Mitchell Sharp (President of the Privy Council): 1 and 2. The Commissioner of Official Languages reports directly to parliament and not through a minister. Questions can be put to him directly.

DRUG CASES IN COURTS OF BRITISH COLUMBIA

Question No. 3,161—**Mr. Reynolds:**

Is there a back log of heroin and other drug cases in the courts of British Columbia and, if so, will the Minister advise what action he plans to take to solve this problem?

Hon. Ron Basford (Minister of Justice): Yes, and the Minister of Justice is reviewing the matter as a priority item with legal officers of the Department of Justice with a view to determining the necessary measures required to rectify the problem.

FARRIS REPORT

Question No. 3,166—**Mr. Reynolds:**

Does the Solicitor General have a copy of the Farris report in his possession and, if so, on what date will it be tabled in the House of Commons?

Hon. Warren Allmand (Solicitor General): Yes. As indicated by the Commissioner of Penitentiaries in a press release issued on June 13, 1975, criminal court proceedings are in progress in respect of this occurrence and three inmates are charged with non-capital murder. He also

indicated that it was his intention to eventually publish the report of the Commission of Inquiry except for information affecting employees personally as well as the security of penitentiaries, once the matters now before the court have been resolved.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Alexander: Mr. Speaker, is the minister going to stand up before I do?

Mr. Andras: Mr. Speaker, I do not think the hon. member for Hamilton West (Mr. Alexander) will really be very angry if I get my licks in first. I am sure he will have some constructive and other types of measures to suggest.

The bill before us which is designed to amend the Unemployment Insurance Act is one that deserves very serious consideration. The basic act provides short-term income support to unemployed workers while facilitating their quick re-employment. In this way, and in addition to that very important need of personal and individual help, the program assists in the proper functioning of the labour market, the stabilization of the economy, particularly in times like these, and the redistribution of income where it is needed.

Since the labour market is constantly subject to change and adjustment, as the needs of the economy and the composition of the working population alter, the act will be subject to adjustment in order to respond smoothly and effectively to those changes. I think that is doubly important when one considers the great significance of the amount of the transfer funds committed to this program, of which we are all aware.

I have mentioned on a number of occasions that the Unemployment Insurance Commission is conducting a comprehensive review of this legislation and its administration to ensure that the policy remains responsive to our needs. In July, of course, the government introduced the bill before us, Bill C-69, based on the first results of that comprehensive review. Bill C-69 is intended to complement measures outlined in the June 23 budget and is in accordance with our efforts to provide a more rational allocation of government resources. It has been developed to reflect the spirit of the 1971 act and to contribute to the achievement of one of the fundamental objectives of the ongoing social security review which is to rationalize the various schemes of income maintenance in this country. At the same time, the amendments are directed toward improving the influence of the act on the relationship between supply and demand of workers and, in addition, to deal with some of the inequities and complexities in the act.

I should like to emphasize that the changes contained in this bill which is being presented to parliament are the results of the first findings of our review of the legislation. However, as is proper with a program of such significance, this comprehensive examination is continuing, particularly in relationship to two parallel policy developments. I mentioned one, the over-all harmonization of all our social security programs. The other is the evolution of an integrated and more comprehensive manpower policy.

We may determine that further changes will become necessary, which we will present to this House. For the present, in this bill we propose the following amendments. First, to double the maximum period of disqualification from benefits for claimants who leave their employment voluntarily, without good cause, and for those who refuse suitable employment or who are dismissed for misconduct. Under the existing act, as hon. members will recall, there is a maximum three-week period, which now will be increased in the measures contained in Bill C-69 to a maximum of six weeks. This means that, added to the mandatory two-week waiting period for all claimants, this could result in a maximum period of eight weeks in which no benefits are paid to disqualified claimants.

This amendment is being made because the number of disqualifications based on voluntary quits has been running at an alarmingly high average of approximately 250,000, plus, per year. Job refusals accounted for what could amount to an annual rate of 26,000 for the first six months of 1975. These trends have been developing in spite of high unemployment and a low ratio—a descending ratio—of job vacancies to the number of unemployed workers. To us, these facts indicate that the present period of disqualification has not been effective and needs to be increased.

We realize, and the commission recognizes, that people very definitely have the right to improve their situation and a right to secure better jobs. We do not intend to penalize those who presently want, and are seeking, work. Claimants who are disqualified under this section will continue to have the right to present their case to their insurance agent within the commission to show that they left their job for good cause. Decisions of the commission on this basis will continue to be based on long established—about 30 years—jurisprudence, so that they are not made simply at the whim of the commission officials or employers; and, of course, all these decisions will continue to be subject to appeal.

If a claimant shows that under the terms of the legislation and the jurisprudence long established in connection with it, he has good cause for his action, he will not be penalized. However, we intend to make certain that Canadians who are working hard to maintain self-sufficiency, to maintain the momentum of this country's economy, and who are contributing to the unemployment insurance program, do not have to carry the added burden of supporting able-bodied people who do not want to work.

● (1510)

Some hon. Members: Hear, hear!

Mr. Andras: Another amendment eliminates the special benefit rate of 75 per cent of insurable earnings for claimants with dependants. That rate is paid to claimants in the extended benefit period, and to those earning less than one-third of the maximum weekly insurable earnings, in the initial benefit period. Now, under the amendment proposed, that benefit rate is being brought into line with the standard rate of 66⅔ per cent. The 1971 act acknowledged that the longer people were on claim, the greater would be their non-deferrable expenses, particularly if they had dependants. However, since 1970 a number of much more appropriate measures have been taken to increase support for people with families.

Most notable of these, of course, is the family allowance, which has tripled since 1971. For example, a man with three children between the ages of one and six, who received $18 a month in family allowance support in 1971, may now expect $66.24. That allowance, too, has now been indexed to rise with the cost of living. That increase, combined with the indexing of income tax, eliminates the justification for a special benefit rate for claimants with dependants.

I feel very strongly, not in any way denying the income need relative to size of family, that the use of demogrants—in this particular case, family allowances—is a much more appropriate way to recognize the legitimate additional need based on family size, rather than through the unemployment insurance plan under which benefits are—and, I strongly believe, should be—essentially wage-related.

Another amendment reduces the age from its present level of 70 years to 65 years at which people will no longer be covered by the unemployment insurance plan. That reduces overlapping of the program with others which are more appropriate, and provides improved support to this age group. People of this age will no longer be required to contribute to the plan, nor will they be eligible to receive benefits. The special retirement benefit, however, will be made available to persons at the age of 65 under the current conditions, that is, if they have a major attachment to the labour force, whether or not they have stopped working.

Members of the House will note that the removal of the earnings test for those who apply for a retirement pension under the Canada Pension Plan, the indexing of old age security and taxation, and the enrichment of the guaranteed income supplement which have taken place since 1971, will all combine to provide support for persons aged 65 and over, again, in my opinion, through much more appropriate methods.

Increases in these programs have been substantial since the introduction of the act in 1971. For example, the maximum retirement pension available under the Canada Pension Plan increases from $65 to approximately $130 on July 1 of this year. Old age security increased from $80 in 1971 to about $126 in 1975. The guaranteed income supplement also increased from roughly $34 for a single person in 1971 to $88 this year. In addition, the personal income tax exemption was increased by $1,000 for persons aged 65 to 70 in 1972. Last year, that exemption was indexed to rise with increases in the cost of living. Another consideration relates to the fact that it is virtually impossible—indeed, at times almost brutal—to apply those aspects of the act which relate to availability and active job search in an effective manner to persons in this age group. The fact is that most of them have, in effect, withdrawn from the active labour force.

I know that the argument is made on occasion that these persons, having contributed premiums most of their working lives, are entitled to draw benefits from the program at the end of their careers. However, this is a fallacious argument. Unemployment insurance is like term insurance. It was designed to protect against certain situations which result in a temporary interruption of earnings. The entitlement to this benefit is subject to that and certain other specific conditions in the act. Equity, the payment of premiums, no matter for how long, does not carry forward entitlement beyond the conditions stated in the plan.

The principle of the termination of the need to pay premiums, and entitlement to benefits at a certain age, has been established for years. The Unemployment Insurance Act of 1971 set that termination date for premiums and entitlement at 70 years of age. That corresponded formerly to the age of eligibility of old age security, pensions, and so on. In all these programs, this was gradually reduced to the age of 65 which is now the age at which nearly all senior citizens enjoy state income-support programs.

Another important amendment will allow an extension of the period during which insurable earnings may be counted for benefit entitlement beyond the present 52 weeks to a maximum of 104 weeks for specified groups of claimants who find themselves out of the active labour force for periods of time due to reasons beyond their control. These groups include persons who are incapable of work because of sickness, disability or quarantine, persons receiving workmen's compensation, those claimants on approved training courses, and those who were inmates of penal institutions, all of whom can find themselves unable to get work after the period of their involuntary withdrawal from the labour force and when they are ready and able to rejoin the labour force.

It had originally been thought that the shorter eligibility requirement introduced in 1971 would obviate the need for such an extension. But experience has shown us in these last four years that a number of insured persons still have a requirement for it, and in order to ensure that these groups of people have full access to unployment insurance, this amendment is being introduced. Another feature of this amendment provides for an extension of the benefit period to 104 weeks for persons receiving workmen's compensation and for inmates of penal institutions.

The fifth important amendment to which I wish to refer is one to make the availability of sickness benefits more flexible so that we will allow major attachment claimants to draw up to 15 weeks of sickness benefits during both the initial and the re-established benefit periods—a total of 39 weeks instead of the present limitation of the first 29 weeks.

Another feature of the amendment eliminates the present element of rigidity whereby the drawing of regular benefits results in a reduction of entitlement to sickness benefits. Under the new proposal, a claimant can draw up to ten weeks of regular benefits without reducing his entitlement to sickness benefits.

● (1520)

A further amendment under section 28 removes the provision for advance payment of benefits to major attachment claimants. In order to provide a strong incentive for claimants to find work quickly during the early weeks of their claim and draw no subsequent benefits, an advance payment equal to three weeks of benefits was made available to major attachment claimants in the 1971 act.

Mr. Peters: It applies to hardly anyone.

Mr. Andras: This was provided without reference to whether they had earnings in that period, and the active job search and availability obligations were waived for that period. We found, however that in practice in 1974, for example, 85 per cent of the recipients of the advance payments were still on claim in the sixth week, whereas only 66.2 per cent of non-recipients of advance payments remained on claim at that point. Quite clearly the original purpose of the advance payment was not being served, and in order to encourage these people to find work more quickly it was decided that the provision should be removed from the legislation.

We are introducing an amendment which will allow claimants to terminate a claim voluntarily. I think this will considerably enhance the fairness and the flexibility of the program. This change is designed to accommodate certain claimants who would find it to their advantage to terminate an existing claim and establish a new one. For example, persons may establish a claim for benefit and then return insurable employment for 20 or more weeks. Under the present act, they cannot terminate their existing claim and establish a new one, so they are ineligible for sickness and maternity benefits which are only payable in the initial phase of a claim. The amendment will allow the claimant to terminate a claim where it is in his own interests and, in the process, remove an inadvertent but practical disincentive to work.

In view of the importance this government is placing on job creation in the current budget, it is appropriate that one of the proposed amendments to the Unemployment Insurance Act—this was recommended by all sides of the House—will permit the extension of coverage to sponsors of job creation programs like the Local Initiatives Program and the Local Employment Assistance Program. I have heard from all parties that it is discriminatory; the employee on a local initiative project can obtain unemployment insurance but the sponsor cannot because of the contractual relationship that person has with the government.

Another amendment which at least one member of the official opposition will welcome relates to the issuing of social insurance numbers. It authorizes the issuance of new numbers in several specified situations; for example, where SIN cards have been lost or stolen and fraudulently used. In such cases, where a second SIN number is issued the first number will become void. I have made a commitment to one member of the opposition to let him present the first new card with regard to a rather famous case which caught some attention a year or two ago.

A number of additional amendments are proposed to reduce some of the inequities and complexities which now exist in the act. One of these changes will clarify and formalize a number of powers which are currently given to the commission, through regulations, by embodying them in the act itself. These are fundamentally important and I invite hon. members, when in committee, to consider them carefully because they concern the rights and obligations of claimants.

Another amendment will allow the commission to pay the travelling expenses of persons and their representatives to attend hearings of the umpire in cases concerning coverage under the act which are up for appeal. These umpire hearings are usually held in large centres, and this change will allow appellants from remote areas to attend without imposing undue financial hardship on them.

These amendments are complemented by administrative measures which are constantly being improved and refined to make the program more effective in terms of service, control and cost. An example is the commission's special job finding and placement drive, set up a year ago last April in co-operation with the Department of Manpower and Immigration to ensure that as many claimants as possible take advantage of all the services of Canada Manpower centres. In this way, it not only assists claimants to find jobs as quickly as possible but it ensures that those who are not meeting their obligations under the act do not receive benefits.

In the 14 or 16 months of the operation of this program, some significant results have been achieved: 429,000 claimants were exposed to the program; 33,000 claimants were placed in jobs by CMC; 46,000 claimants found jobs on their own after exposure to CMC counselling; 3,000 claimants were placed on training courses; and 144,000 claimants were disqualified or disentitled from receiving benefits following Manpower reports indicating that they were not actively seeking work or had refused to take suitable jobs when offered.

The commission also achieved a number of administrative economies last year. The unit costs of performing such functions as issuing benefit warrants, processing claims, collecting overpayments and conducting benefit control investigations were all significantly reduced in 1974 in comparison with the previous year. Efforts to continue and to improve this kind of cost-saving remain a primary administrative aim of the commission.

A major amendment has to do with the formula for financing the unemployment insurance program. This program has remained unchanged for almost four years—years which have seen a very rapid and dramatic change in Canadian society and in the structure of the labour market. We believe it is now time to face practical needs for adjusting the application of the financing methods and to bring them into line with current economic reality.

When the current Unemployment Insurance Act was proposed in the white paper of 1970, it was stated that costs of the plan over and above the self-financing component would be assumed by the government in recognition of its share of responsibility for dealing with the problems which cause unemployment. At that time, a threshold of 4 per cent unemployment was set as the level above which

the government would assume the additional costs for unemployment insurance benefits.

That 4 per cent threshold was related to the economic conditions in the decade preceding 1970. The basic financing principle continues to hold true. Nevertheless, under social insurance principles, normal cost under the unemployment insurance program should be financed as much as possible through contributions from employers and employees. That principle was the basis for the formula in 1971, and remains the basis now, but economic conditions have changed considerably in the past five years, not only here but in most countries of the world, and it is now time to update that benchmark for calculating the self-financing component of the plan. The new threshold will be adjusted automatically each year on the basis of a moving average of monthly unemployment rates over the preceding eight-year period.

● (1530)

Applying this formula in 1976, the benchmark for the year will be about 5.6 per cent, a level based on average monthly rates of unemployment in the eight years preceding June 30, 1975. The regular adjustment of the benchmark will relate only to the sharing of the costs of initial regular benefits payable. The cost of extended benefits payable to those who are unemployed for longer periods will continue to be financed entirely by the federal government from the consolidated revenue fund.

Excluding the threshold change and the premium change, if the proposed amendments are fully implemented as of January 1, 1976, we can expect a net saving of $170 million in 1976 at a 7 per cent rate of unemployment. On the basis of the same assumption—and it does vary by rate of unemployment—the net increase in employee-employer cost for 1976 would be approximately $490 million, while a net reduction in government cost on these two measures in combination would be approximately $660 million.

Obviously, in consideration of the threshold to which I refer, it will be necessary to increase the rate of premiums paid by employers and employees in 1976. The employee rate, which presently stands at $1.40 per $100 of weekly insurable earnings, can be expected to rise to a level between $1.60 and $1.70. Assuming that the ceiling for 1976 will be raised to around $200 through the operation of the statutory earnings index, then the resulting maximum weekly employee premium during 1976 could range from $3.20 to $3.40. Based on these assumptions, the premium rate for employers should increase from its current level of $1.96 per $100 of insurable earnings to a level between $2.25 and $2.40. Applying the $200 a week maximum insurable earnings which we anticipate for 1976, the maximum weekly employer premium would range from $4.50 to $4.80.

The precise employee rate and maximum weekly employee premium will, in accordance with past procedures, be announced shortly, bearing in mind the requirement that the accumulated deficit in the unemployment insurance account must be reduced or eliminated, which we anticipate will be the case next year. In 1977 and subsequent years, there could be relatively small increases or decreases in premiums, depending on the trend of the eight year moving average of unemployment rates.

I said earlier that requirements for additional changes may emerge as our review continues. For example, I have mentioned in the past that we have been examining such important parts of the program as the benefit structure. To sum up, the unemployment insurance program continues to play a vital role in the Canadian economy in terms of the protection it gives unemployed workers. The measures which are being proposed in Bill C-69 will in no way undermine that important function. Indeed, they will contribute substantially to the over-all effectiveness of this program by eliminating some rigidities and inequities, by removing some disincentives to quickly return to work, and by cost reductions and better allocation of resources.

[Mr. Andras.]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, all of us have looked forward very eagerly to the introduction of the so-called amendments to the Unemployment Insurance Act. I want to thank the minister for giving us the details of what he thinks the act will do. He spelled out about 11 amendments and then summarized them. What I find most interesting is that the minister, perhaps conveniently, did not spell out what the future holds with respect to further investigation. It was unlike him not to mention the 12-week period we had talked about in terms of eligibility. This leads me to believe that the minister is going to move in this direction. According to recent reports, he is thinking very seriously of relating the eligibility to the number of weeks work in a year.

In view of the minister's last statement, I believe he is perhaps thinking of the amount of benefit when he talks about benefit structure, and is going to give serious consideration to whether the amount of benefit is a disincentive. When he said, in concluding, that he has attempted to remove the disincentives to work, the minister—like all other ministers who sit on the front bench—suddenly saw the light. This party has been talking about the act being a disincentive to work. We have continually indicated to the government that of its own free will it has almost totally destroyed the work ethic of this country as a result of this act.

Why did the minister not mention the projected cost of UIC for 1975? He would not tell you, Mr. Speaker, but I will. It is $4 billion.

Mr. Andras: That is not correct.

Mr. Alexander: Having listened patiently, and with very little interruption, to the minister's speech, we on this side of the House believe that what we see now is a cosmetic, ad hoc approach to a very serious problem. That is reason enough to fight this bill on second reading. Let me go further, however. The minister talked about actual savings, and at long last we have some indication of the figure—$660 million. With all due respect, I do not believe the minister or anybody else on the front benches when it comes to the projection of figures. We see what a mess we are in now as a result of the projection of the minister's predecessor. I do not know what he is talking about in terms of savings. This bill is fighting the unemployment insurance irregularities on the backs of the poor, those who can least afford it.

Mr. Rodriguez: You are on both sides of the fence now.

Mr. Alexander: Mr. Speaker, I hope the hon. member will let me continue. If he wants to take me to task later, let him do so, but I ask him to give me the opportunity to make my speech now. Let him pick on the minister. Why

pick on me? It is the minister who is messing this country up with a bill that is inequitable and will cost the employee too much.

Let me get to the meat of my speech and talk about these amendments. On this side of the House we do not know whether they go to the root of the problem. The problem is whether this is an insurance act or whether it is a welfare scheme, and what the amendments do in this regard. No matter what the minister says about the new benchmark and this threshold, we take a dim view of this new approach of the government. It seems to me they opted out of their responsibility when they moved that benchmark over an eight-year average.

● (1540)

The minister suggests that the government will involve itself with the scheme when unemployment reaches 5.6 per cent. Clearly, it is abdicating its responsibility to create employment. Previously, the government said it would intervene when unemployment reached 4 per cent, but it did nothing significant to reduce unemployment. Why does the minister think we shall support this new concept providing for government intervention when unemployment is somewhat over 5 per cent? I suggest that the new level will provide the government with even less incentive to involve itself with the creation of employment.

The regressive tax the government is imposing means that the government is opting out of its responsibility for creating jobs. The government's approach to the problem will make it difficult to determine if the system is being abused. Obviously, the government does not care. Unemployment insurance premiums really are a regressive tax. The minister said that employee-employer contributions would increase by some 35 per cent. I tell the minister that we intend to vote against the bill on second reading, for the reasons just suggested. Unless the minister comes forward with hard facts, hard information and credible statistics, we may not support the bill at the report stage or on third reading.

I want the minister to know that this time the government will not snow us. We asked previously what was wrong with the $800 million ceiling. The removal of the ceiling was a snow job; members of this House and the people of Canada were unable to find out what was happening with regard to unemployment insurance. Any information we obtained was after the fact. The legislation ought to have spelled out the supremacy of parliament. The government ought to have come to this House and said, "We need more money, even though we boobed, as usual." But as matters now stand they need not explain anything to us. We learn about what happens after the fact. The money is spent, and somehow we discover what has gone on when we attend the Standing Committee on Manpower and Immigration.

Mr. Stanfield: We discover it about ten years later.

Mr. Alexander: We learn the facts about ten years later.

Mr. Cullen: The hon. member speaks like a true PC.

Mr. Alexander: I hear the Minister of National Revenue (Mr. Cullen) saying something. He is a member of the class of '68. Let me digress for a moment. I was glad to see that this government recognized his abilities. I hope that as Minister of National Revenue he will do a good job. We of the class of '68 do not want to be disappointed. So far, members on my side have not thought the minister's job all that important. I do not want to be mean, but they are not even asking questions of the minister. Therefore, I hope the Minister of National Revenue will mind his business and let me mind mine.

Let me bring to the attention of the House some general thoughts about unemployment insurance. We must ask some questions about its fundamental role. Is it an insurance program or an income redistribution scheme? If it is an insurance program, then surely we ought to be considering a program which is designed to protect bona fide members of the work force from the effects of unexpected unemployment. If it is an insurance program, it ought to be placed on an actuarially sound footing. If it is an income redistribution program, then of course it is just that. Any program of income redistribution may be defined as a program designed by the government to shift resources from one group or level of society to another, according to predetermined guidelines. Income redistribution, by definition, considers what is normal, not what is unexpected, and takes account of actuarial principles.

If we consider whether the program should be one of insurance or one of income redistribution, we should honestly conclude that unemployment insurance should be exactly that—unemployment insurance. To interpret unemployment insurance as social security, however noble, is to misrepresent the constitutional underpinnings of the unemployment insurance concept. Canada has a plethora of other programs specifically designed for the ends of social security. The minister mentioned some of them. They form the income maintenance and social security component of our social welfare programs.

Finally, I suggest that unemployment insurance as a means of wealth redistribution is extremely regressive because all wage earners grossing more than the maximum insurable earnings pay the same premium rate. Therefore, this concept lacks progressiveness. The suggested provisions for raising the benchmark or unemployment level above which the government will intervene, will make the situation even more regressive. The current premium scale is already highly regressive as it establishes the maximum pay-in at a relatively low income level. Accordingly, the brunt of financing the program's costs will be carried not only by the upper income groups; it will be carried also by the lower middle and middle classes. Therefore, the suggested regressive financing of this income redistribution program really runs counter to every principle which the Liberals opposite hold to be true.

The other point worth raising concerns the maximum pay-out figures. The minister mentioned a period between 52 and 104 weeks for pay-out. We shall need to examine that more closely. Allowing a person to remain on unemployment insurance for a full year because suitable employment could not be found for a full 12 months or, even worse, allowing a person to collect weekly cheques for one year while that person's feelings of dignity and

self-worth go down the drain, is totally unacceptable to me, and to my party, I suggest.

It should be our view, except in the most exceptional circumstances, that unless an unemployed person can find a job within a relatively short period—say, six months—that person does not possess the requisite skill to be employable and is, in fact, unemployable. In that case, we face what economists call a structural problem. It is far better, it seems to me, to face this fact and insist on retraining, relocation or whatever is necessary, instead of letting the person sit at home and become, in fact, a new member of the welfare state at enormous cost.

It is interesting to note that the United States, which has a population ten times the size of Canada's, spent $4 billion on unemployment insurance in 1973. On the other hand, we in Canada will spend approximately the same amount in 1975 in that area. I point out that between 1940 and 1970 we spent a total of $6 million on unemployment insurance. That is how much we spent in 30 years. On the other hand, between January, 1971, and December, 1975, our unemployment insurance costs, as predicted, will rise to some $10 billion.

An hon. Member: Shame.

Mr. Alexander: The question the Canadian people must ask is, can we at any time afford such a plan which is costing $10 billion? The answer is no. Let me compare UIC pay-outs with the gross national product. In 1974, UIC payments made up 1.51 per cent of the gross national product. In 1975, total payments will amount to $4 billion, or 2.72 per cent of the gross national product. In other words, pay-outs will have increased by 186.3 per cent. These figures have not been put before the Canadian people, but they show clearly what has been the result of this government's approach to unemployment insurance, particularly that of minister's predecessor who now serves as Postmaster General (Mr. Mackasey) and who I was happy to see sitting here this afternoon. That minister and his officials where less than honest with the Canadian people in 1971. That is why we are in such a mess.

● (1550)

Do you know why I say that? Let me just review some of the white paper prognostications and projections, as the case may be. In the white paper, the then minister, now the Postmaster General, in an attempt to exhibit his government's knowledge of the issue made some predictions the nature of which history has proved quite erroneous. The following represents his administrative cost projections compared with actual expenditures. These figures are very important. This is another reason why I do not believe the minister when he talks about $600 million. The minister talked very definitely about the projection of $600 million. I have heard that baloney before about savings in costs. I will not sit here and accept what that minister states unless he comes out encompassed in gold and blessed by the Almighty. I say that with all due respect to him.

Some hon. Members: Oh, oh!

Mr. Alexander: The minister knows I have high regard for him. However, when it comes to unemployment insurance, he is a disaster. I will get on with my speech. I want to talk about the administrative cost projections compared with actual expenditures. I know the minister does not want to hear this. He gets embarrassed when he hears these figures.

Some hon. Members: Oh, oh!

Mr. Alexander: I will ignore them and talk through you, Mr. Speaker, to the members of the class of '68. This is what the white paper, the minister's predecessors and the bureaucracy behind them, projected.

An hon. Member: Hurry up.

Mr. Alexander: Don't tell me to hurry up; I have unlimited time.

The Acting Speaker (Mr. Turner (London East)): Would the hon. member please address the Chair.

Mr. Alexander: Yes, Mr. Speaker. The hon. member was dropped as parliamentary secretary and that is why he is so miffed. I cannot help it if he did not make any significant contribution to the Prime Minister (Mr. Trudeau). Don't blame me, Mr. Speaker.

The administrative cost projected in the white paper by the former minister, for 1972 was $71 million. Do you know what it actually was? You would not guess; nobody would. I will tell you what it was. It was $120 million. There was a difference of $49 million. What about 1973? The projected cost in the white paper was $73 million. Do you know what it was? It was $141 million, a difference of $68 million.

What about 1974? These are the projections that this government gave to the Canadian people. The projected administrative cost for 1974 was $74 million. What did it end up to be? You would not guess, again, sir, with all due respect. It was $162 million, a difference of $88 million. Let us now go to 1975. I see the minister and his parliamentary secretary laughing. They are having a great time with this thing. This is important to the Canadian people. The minister should be paying attention to my remarks because these are the figures which he has conveniently forgotten about.

Some hon. Members: Hear, hear!

Mr. Alexander: I have many more figures here. I know the minister will turn red with embarrassment. He would not tell this, so it is up to the opposition to tell the truth. In 1975, according to the white paper, the projected figure was $77 million. What is the actual figure? Together with my colleague, I pulled this out of the minister in the Standing Committee on Manpower and Immigration. That was in May, 1975. What did we pull out? In the first quarter—January, February and March—the administrative costs were $62 million. Look at the minister smile. He knows I am telling the truth. Multiply that figure by four and you get a projected administrative cost of $248 million. In terms of 1975, that means a projected difference of $171 million. In four years, that represents an expenditure of $376 million over the estimated cost of administrative operation—and the minister wants me to believe that this bill will cost $600 million. Rubbish!

Let me move on. The now Postmaster General at that time declared, in general, that contributions would be

lower for both employers and employees participating in the unemployment insurance program. That was in 1971. The statement was in large measure true. Both employers and employees covered under the former act were paying $1.40 per $100 of insurable earnings up to a maximum of $100. Since then, however, premium rates have risen substantially. The following displays this increase. I want to again show how this government is deceitful and less than honest with the Canadian people.

An hon. Member: Oh, oh!

Mr. Alexander: I want to show the weekly employer-employee premium rates as envisaged from 1972 to 1974. In 1972, with respect to employees, it was 90 cents per $100 up to a maximum of $1.33. In 1973, it made a significant jump to $1, with a maximum of $1.63. In 1974, it jumped from $1.40 per $100 to $2.59. Those were significant changes which we called then, and still do, regressive taxation. It is an unwarranted tax upon the taxpayers of this country who do not seem to get any compassion or sympathy from this government.

What about the employer? It is not up to me to come to the rescue of employers, but in terms of small businesses they have made a significant contribution to the development of this country. This government is removing the incentive from small businesses. It is hard to say just where we shall end up. In 1972, they paid $1.26 per $100 and it could go up to a maximum premium of $1.86. In 1973, it jumped to $1.40, with a maximum of $2.28. In 1974, it jumped to $1.96, with a maximum premium of $3.63. This increase in premium contribution represents a 55 per cent escalation for employees and employers over a period of just three years.

Mr. Andras: What was it under the old act?

Mr. Alexander: I am talking about the act the minister foisted on the Canadian people. Furthermore, by removing the 4 per cent benchmark on federal financing, contributions will increase, again, by anywhere from 20 per cent to 35 per cent. In real dollar terms, this will mean an employee premium rate of between $1.69 and $1.89 per $100 of insurable earnings, and between $2.37 and $2.65 per $100 for employers. In summary, then, premium pay-outs, under the changes recommended in Bill C-69, will have almost doubled by January 1, 1976 over that which was being experienced during the first year of operation under the new act.

While individual pay-outs have increased markedly, the aggregate increase and the increase concerning government expenditure is equally phenomenal. The following is an approximate breakdown of this outlay since 1970. The 1970 total was $695,221,000, of which the government's contribution was $224 million and the employer-employee contribution $471 million. Notwithstanding what the minister's predecessor said, these are the figures. They are very important. In 1971, the total was $890,594,000, of which the government's contribution was $333 million and the employer-employee contribution $557 million.

● (1600)

Now, here is where we are getting into trouble. In 1972, it was $1,871,808,000, with a government contribution of $717,000,000 and employer-employee contributions amounting to $1,154,000,000. Listen to the figures for 1973. The total was $2,004,216,000. The government's contribution came to $573,000,000 and the employer-employee contribution was $1,431,000,000. Now for 1974: that was really a wingding year. The total was more than $2 billion—$2,119,212,000—made up of $700,000,000 in government contributions and $1,500,000,000 in employer-employee contributions.

But the year 1975 is the year that really grabs us. Have you noticed, Mr. Speaker, the sudden and dramatic escalation in terms of costs during while the government sat on its fanny for years without even considering amendments, without even considering whether the country could afford it? But now they are talking about restraint. They created a monster and did not even have it by the tail. In my humble opinion, they still do not have it by the tail. In 1975, it is expected that the total will reach $3,750,000,000. Of that, $1,750,000,000 will be the government contribution, with $2 billion forthcoming from employer-employee contributions.

In his budget address of June 23, the then minister of finance lamented this massive increase and stated that restraint would have to be introduced. However, the point to emphasize here is that the government was not really concerned about the direction the Unemployment Insurance Act was taking. On July 28, 1970, the hon. member for Verdun, who as minister of labour was responsible for the birth of this monster, prematurely declared that unemployment in Canada has passed the turning point and would thereafter show constant improvement. In 1970, 5.9 per cent of the labour force, or 495,000 people, were unemployed. This year, unemployment is running at 7.2 per cent and is expected to exceed 8 per cent, which would result in up to 800,000 Canadians becoming potential unemployment insurance recipients.

In the *Financial Post* of February 26, 1972, the present Postmaster General, then minister of labour, was quoted as saying that the extra costs "don't present me or the government with any problem." I can remember his saying that. Commenting on the announcement of a $700 million Unemployment Insurance Commission deficit in 1972, the Prime Minister declared:

> I don't see any scandal... What if it (the fund) needs another million, a hundred million or two hundred million? What's the magic in numbers?

I will tell him what is the magic in numbers. The Canadian people are just tired of paying through the nose. Again, on May 25, 1971, appearing before the appropriate committee of this House, the minister of labour of that day said:

> There is no reason for alarm and I certainly feel no reason for alarm.

Today, though, there is a great deal of alarm, to judge from the minister's statements. He says that the act as presently drafted is riddled with disincentives and he wants them removed. We on this side, accepting our responsibilities, have continuously stressed the fact that the legislation contained far too many disincentives.

The statements I have quoted show quite clearly that if members of the government were aware of the problems involved in the Unemployment Insurance Act, they were certainly not ready to admit to them, much less to deal

with them. As indicated in the budgetary address of the former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner), the situation was allowed to deteriorate and it is now being dealt with in a *post facto* fashion. However, although the government was not ready to grapple with problems which by then had become apparent, others were quite willing to point them out. In a press release on September 25, 1972, the Leader of the Official Opposition (Mr. Stanfield) put his finger on the situation. He stated:

> The situation created by the government in respect of those who are working is simply this: expenditures on unemployment insurance are said to be monstrously out of hand . . . The cost to individual taxpayers will be staggering.

This year, Mr. Speaker, unemployment insurance will cost every taxpayer in Canada an average of $175 above the regular premiums. My hon. friend, the Leader of the Opposition, went on to say:

> By its economic policy, its legislation, and by the Prime Minister's own "non-work ethic" dissertations the government has been undeniably responsible for putting so many Canadians in both these situations—unemployment due to work disincentives, and staggering taxation.

Despite these warnings, it took the former minister of finance almost a full three years to recognize that, in his words, some features of the new system, that is to say, the post-1970 arrangements, have "undesirable effects on work incentives".

I wish, now, to deal with another area. Less than a month before the June 23 budget was brought down, the Minister of Manpower and Immigration (Mr. Andras) dealing with the possibility of amendments to the Unemployment Insurance Act, stated:

> The fundamental reasons why we have not brought them (the amendments) in yet is because parallel to the development of these amendments there is a very serious consideration on the part of my colleague the Minister of National Health and Welfare and the provincial ministers of health and welfare.

He went on to say:

> Increasingly it is becoming apparent that there is at some stage going to be a reconciliation and a harmonization of the interface between the unemployment insurance benefit program particularly and the ramifications of it and the rationalization of the income security system.

The minister merely touched on this particular aspect—the harmonization of the two programs and the rationalization of the income security system. As I say, this address to the Standing Committee on Labour, Manpower and Immigration was delivered less than one month before the presentation of the budget. It is difficult to believe that in one short month the executive of the present government was able to reconcile, harmonize and rationalize the working of the Unemployment Insurance Commission and the health and welfare ministers' proposed income security system. If it has been able to do so, where is the minister's orange paper?

It is even harder to believe that proposed changes in the Unemployment Insurance Act were meant to dovetail with the primary objective as stated in the orange paper, because on his own admission the Minister of Manpower and Immigration believed it would be 2½ years before the orange paper would become legislation. I think this calls for some emphasis—2½ years. In the absence of the required dovetailing, I say this is an ad hoc, cosmetic approach to a serious situation. I refer to the bill which the minister has introduced for second reading. The Minister of Manpower and Immigration continued:

> As we get more deeply into the subject (changes in the UIC) we find that almost every action we are contemplating would have some effect (on income security).

Yet, less than a month later, changes to the Unemployment Insurance Act are proposed. This is why I have some hesitation about believing what the minister says when he asks us to believe in the justice of these amendments to the act. Since we are led to believe that any changes in the Unemployment Insurance Act will invariably affect the entire income security system, where are the parallel changes in the income security system? There is no dovetailing. In fact, it appears that as of May 27 of this year, the Minister of Manpower and Immigration had no inkling that amendments to the Unemployment Insurance Act were proposed in the budget.

Speaking about Bill C-125 of the last parliament, a bill concerning unemployment insurance which died on the order paper, the minister said:

> I felt the measures introduced in that bill had gone too far and were not measures I wanted to see introduced . . . As I gained experience in the portfolio I did not wish to proceed with the Draconian measures which were in the bill.

Yet we now see very similar "Draconian measures" being introduced in the budget, especially those which are aimed at the so-called low income claimants and the aged. The bill before us is directed toward these groups. If the minister believes that these are the people who are ripping off the system under the present act, well and good; but he will have to show us that our senior citizens are so involved. I understand there are only about 5,000 or 10,000 who would be affected by this suggestion.

● (1610)

The then minister of finance in his budget address bemoaned the failure of consensus. It is no wonder consensus failed when there does not even appear to be consultation among cabinet members, let alone the provinces or members of labour, business and other interest groups.

In fact, the Canadian Labour Congress, an organization which will be greatly affected by these changes, was surprised and shocked that any such revision of the Unemployment Insurance Act would be contained in the budget. They have claimed that the budgetary revisions planned for the Unemployment Insurance Act are but "a political sleight of hand" and yet another attempt by the government to shift the blame for unemployment on to the unemployed. Indeed, in face of a budgetary deficit of almost $4 billion, the government's proposal to implement expenditures restraint can be looked upon as being at the expense of the aged and the poor and is tantamount to folly. It is a cruel trick on the Canadian people. If the minister has evidence that these are the groups causing or helping to contribute to the $4 billion deficit, we are prepared to listen.

The government has proposed—the minister has gone through them—five basic changes in the operation of unemployment insurance on the grounds that the cost to the government is becoming unwieldy and that the present act contains some features which have undesirable

effects on work incentives. There can be little argument that the cost of operating the Unemployment Insurance Act is becoming prohibitive. As I have said, total benefit payments in 1974-75 amounted to $2.3 billion, with the government picking up $700 million. However, benefit payments in 1975-76 are expected to exceed $3.75 billion, placing a total cost on the government of approximately $1.75 billion, an increase of 150 per cent over the previous year.

This total increase reflects in part the increase in unemployment. Unemployment in 1974 averaged 5.4 per cent, and has been running this year at an annual rate of 7.1 per cent—an increase of 31 per cent—and there are indications it will rise to at least 8 per cent by the end of the year. However, unemployment statistics as such do not account for all the increases in pay-outs. While unemployment rose by 31 per cent, the total cost of UIC from April, 1974, to April, 1975, rose 69 per cent. More important is the fact that the length of benefit periods for recipients increased by some 51 per cent over the same period. This factor, therefore, can be interpreted as being the result of either the mismanagement of the unemployment insurance fund or a growing trend in which people feel more secure collecting unemployment insurance benefits than in the work environment.

Because of that last supposition, we in the official opposition still call for an independent inquiry into the operation of this act. Such an inquiry should examine the efficacy of the act as now constituted, and its administration. It should envisage whether changes in the legislation are required, as well as investigate in particular the administration with a view to maintaining an adequate program of unemployment insurance while avoiding disincentives to employment and excessive costs to contributors and taxpayers.

We feel there should be a fully independent inquiry, and not some in-housekeeping sort of thing about which the minister was speaking on the part of the Unemployment Insurance Advisory Council. We feel there should be a fully independent inquiry into the workings of the Unemployment Insurance Act in order to determine whether in fact this is an insurance scheme, a welfare scheme or a combination of both, and in order to determine whether there are abuses and, to the extent there are abuses, how to get rid of them. It should inquire into the extent of disincentives and recommend how best we can remove them. This should be a full-blown, independent inquiry, and not something the minister can play hanky-panky with whenever he feels the heat is too much. We want an independent group to look at this very serious matter.

The principle we should all adhere to is that any scheme such as the one we are dealing with now should be very difficult for one to take advantage of, but it should be very easy to administer. It should be difficult to get on the recipient roll of such a scheme, and very easy to get off. Apparently this is not the case now, as these amendments would indicate.

The government has destroyed the work ethic as a result of these disincentives. This, in turn, results primarily from a statement the Prime Minister made some time ago. He said: You do not have to work for money, because there are other amenities in life which are so meaningful. I should like to ask what they are and who is going to pay the shot. I do not mind these theories, principles and political philosophies, but I know somebody has to work in order to pay the shot. We cannot have that sort of attitude, that one does not have to work.

Furthermore, while the government pays lip service to the issue of disincentives, it only offers one point that even remotely deals with the problem, and that is the penalty period being increased by 100 per cent, from three weeks to six weeks. This would mean a waiting period of eight weeks including the two-week waiting period. This party has suggested for some time that eligibility for unemployment insurance should be based on an extended period in the work force. We still stand by that suggestion. Such an extension would ensure that unemployment insurance was directed to those who were securely tied to the work force, and as such it would be unemployment insurance and not just another welfare program open to public abuse.

The latest figures of June, 1975, revealed, in terms of trying to determine whether we should move from eight weeks to 12 weeks or to 20 weeks, that of the total UIC caseload, 15.1 per cent only have an 8 to 12-week attachment to the work force, while 34.8 per cent have an 8 to 20-week attachment. Since all recipients with less than a 20-week exposure to the work force qualify as minor claimants, that is, a 15-week entitlement, we can conclude that by extending eligibility to 12 weeks we could save $487.4 million, or 12.2 per cent of the expected outlay for 1975; or by extending eligibility to 20 weeks we could save $1.123 billion, or 28.1 per cent of the expected outlay for 1975, based on average weekly claims of $82.77 for July, 1975.

We are not saying this is the answer, but we are saying we will have to look into the eligibility period. I think that is just what the minister is doing. He said earlier that they were looking into the benefit structure. When he said that he caught my attention and my eye. However, the fatal flaw in the analysis of the issue by the Minister of Finance rests on the fact that the problems of unemployment cost in terms of disincentives are inexplicably bound together with the government's inability to deal with the real problem of unemployment and job creation.

The minister responsible for the Unemployment Insurance Commission has stated that the commission has a double mandate, the first of which is—

—to ensure that workers who suffer an interruption of earning receive the temporary income support to which the Unemployment Insurance Act entitles them—

The second mandate—

—to facilitate the quick and effective reabsorption of unemployment workers into the labour force, thereby protecting the integrity of the scheme.

It is becoming very clear that the Unemployment Insurance Commission is fulfilling the first part of its mandate of providing some sort of support. This can be seen merely by looking at the massive increase in payments. However, it is failing miserably at facilitating a quick and effective reabsorption of unemployed workers into the labour force. Therefore, the problem is not only one of costs per se, but it is also one of unemployment and inefficient job creation.

We all know that the Unemployment Insurance Commission would not cost the government anything if unemployment were 4 per cent; that is, employer-employee

contributions would make it self-sufficient. It therefore becomes very clear that the mismanagement of the UIC is only a manifestation of the larger mismanagement of the economy and the government's inability to attack the task of job creation in any systematic fashion.

We have had some discussions regarding the minister's five-point reform program, and I would like to run through a few of them. The first is an increase from three to six weeks for the period of disqualification for those who have quit or have been fired from their jobs or refused suitable employment. This is something that is really difficult to criticize. As a matter of fact, I do not think we can criticize it at all, because this is what has been needed. But the government certainly has taken its time in bringing in such an amendment.

● (1620)

One of the amendments refers to payment of premiums and receipt of benefits terminating at age 65. The minister will have to explain this to my party. If he feels these are the people who are ripping off the fund, he will have to provide a good deal of proof. I do not like the minister talking about demogrants when it comes to unemployment insurance. Surely, if I have $1 million in the bank and receive income through working, that income would not be taken into consideration. Because I have income from $1 million and have lost my job, I would not receive unemployment insurance. That is what the minister is trying to say with regard to these demogrants. That has nothing to do with earnings and a man's entitlement to unemployment insurance.

Then we are told that the provision with respect to the special benefit rate of 75 per cent to low income claimants with dependants eligible for extended benefits will be brought into line with the standard benefit rate of 66 2/3 per cent. Once again, the minister talks about demogrants and family allowances. What has that to do with the next proposal, whereby the premium a person shall receive can be up to 75 per cent? The family allowance meant is to be spent for the children. That is what the minister has failed to tell the House and the Canadian people. He wants to confuse the issue and say that because the children are receiving the money, it is not necessary to give the man any money. The minister will have to explain that much better than what he has done this afternoon.

Mr. Nystrom: That is bad grammar.

Mr. Alexander: Never mind the grammar; I am making my points. There is the person who wants to be a leader of the New Democratic Association. The youngest member of the House of Commons complains about my grammar. It has not prevented my winning three successive elections.

Let me continue, Mr. Speaker. So far as I am concerned, the points I have mentioned, the special benefit rate of 75 per cent and the payment of premiums and benefits to those 65 years of age, seem to constitute the total of the restraint program of the former minister of finance concerning the operation of the Unemployment Insurance Act. It seems to me they are almost exclusively aimed at the aged and the poor.

People over age 65 who are unemployed are not even listed in the Statistics Canada publication. This group has a 10 per cent participation rate, and it can be estimated that this cutback will affect, at the maximum, 5,000 senior citizens. Therefore, even if this entire group were receiving unemployment insurance benefits at the average Canadian rate of $74.61 per week for 15.9 weeks—and all of these points are highly unlikely and overestimated—the total saving to the government would be $2.77 million, or .07 per cent of this year's deficit.

Mr. Andras: No.

Mr. Alexander: The minister says no. Perhaps my research is wrong. I am always prepared to listen to the minister in committee, but he did not tell me how much it would cost when he made his speech today in which he said nothing. Moreover, this reform removes entirely any insurance and security for those elderly persons who wish to remain in the job market. Is the government saying that it does not want anyone 65 years of age in the work force? Is it forced retirement the government wants? Perhaps it is.

An hon. Member: Did you forget your lines?

Mr. Alexander: No, I did not forget my lines. I just want to bring some points to the member's attention. Then there is the provision concerning the extension of the period during which a claim can be made and benefits received for those suffering temporary disabilities or special training courses. I am not too sure what that means. This section is so nebulous as to be incoherent. We know that in due time the minister will explain this.

Then we have the change in which the claiming procedure for sickness benefits will be made more flexible by allowing eligible recipients to receive such benefits at any time during the first 25 weeks on claim, rather than the first 15 weeks. This change is really no change at all. It is merely an added courtesy to those workers who fall ill, by allowing them the option to choose when they wish to receive benefits. In no way does this provide for restraint. It could result in a slight increase in expenditure.

In respect of the new government-employee adjustment procedure, as mentioned, unemployment insurance operates entirely on the basis of employee-employer contributions when unemployment is 4 per cent or less. The present minister has claimed that an unemployment scheme like ours does have a crucial role to play in keeping the economic ship afloat in an industrialized country, and that this is something we should recognize when we examine the cost of a program like this. This was referred to on May 27, 1975, when the minister appeared before the Standing Committee on Labour, Manpower and Immigration.

Given the proposed changes to the Unemployment Insurance Act as outlined in the budget, it is apparent that the government has abdicated its belief in the worthiness of unemployment insurance for those who truly need it; that it has reneged on its commitment to fight unemployment, and that it is incapable of stimulating creative job creation programs. By changing the 4 per cent unemployment benchmark to an eight-year moving average, and by doing so during a recession, the government is ensuring that little or nothing of the additional cost of unemployment insurance which accrues from its inability to deal with unemployment will fall on the federal treasury in years ahead.

Since this reneging of the clearly established benchmark of 1971 makes it apparent that the government is no longer committed to 4 per cent unemployment, and since a great need still exists for unemployment insurance irrespective of the government's posture, it is safe to assume that the total cost of unemployment insurance will remain exorbitant and will probably even increase. The point is that now the burden for the government's ineptitude will fall directly on the shoulders of the taxpayer through what is in fact a new form of payroll taxation and, at that, regressive taxation of the worst ilk.

Don McGillivray, a financial analyst, writing for the *Financial Times* estimates that the change in unemployment insurance financing faces Canadian employees and employers with an additional tax burden at least twice as heavy as the extra tax on gasoline, and that this extra payroll tax under the new formula may reach $800 million to $1 billion next year. This new tax load will amount to an average of $89 or more a year from the wages and salaries of all Canadians who work for a pay cheque.

In addition, since the eight-year averaging formula will progress with time, it is safe to assume that this tax burden will increase as the formula moves, becoming more subject to the government's abysmal unemployment record. Even more alarming is the fact that this new form of taxation is highly regressive. Since premiums paid are based on a maximum insurable income of $185 per week—a level which is below the average Canadian income at present—anyone making $9,620 or more annually will be subject to the same tax. Therefore, this innovation shifts the balance of the tax system away from the income tax, which is termed progressive, to a payroll tax which bears most heavily on the poor because they are levied at flat rates and have a ceiling beyond which no additional tax is paid no matter how high the income. Mr. McGillivray stated in his article:

● (1630)

Sooner or later, Canadians will have to ask themselves whether they want to finance such plans from taxes which bear most heavily on those least able to pay.

There are several other minor revisions on which I would like to comment briefly with respect to the minister's major amendments. The minister said that someone on this side of the House indicated that sponsors of government programs such as LIP and LEAP will now be insurable and eligible to collect unemployment insurance benefits. I do not understand that thinking and I will have to drag it out of the minister. Here the minister and his government create unemployment, which is something we certainly do not accept, and in creating unemployment they tell people what to do and how to do it by way of short-term employment, and after that they want to pay them unemployment insurance. I do not accept that and the minister will have to explain to me in no uncertain terms why this approach is viable and necessary.

I was pleased to hear the minister state that under exceptional circumstances a member of the work force can now receive a second social insurance number, under section 34. This section makes provision to eliminate the possibility of two persons having the same number, one person having two numbers, or the fraudulent use of another person's number. Social insurance cards will also serve as a form of national identification without which no job can be obtained or held. We welcome that. It is through the tenacity and the aggressiveness of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) that this amendment has been pulled from the minister's clutches, in light of the hardship suffered when someone had his social insurance card stolen.

I will conclude by stating that we on this side of the House do not believe these amendments go to the root of the problem. We certainly endorse amendments which we believe will bring insurance principles back to the Unemployment Insurance Act, but at the same time, when it comes to spending $4 billion we want to move with caution. We remember well when we wanted to move with caution with respect to the removal of the $800 million ceiling, and the government wanted to hurry the bill through the House because otherwise, they said, the unemployed would not get their cheques. We will not be fooled again in the same way and we will certainly take our time.

Many of my colleagues want to take part in the debate on this bill. They will have more to say on the various matters which I have brought to the attention of the House but—this is most important—when the bill goes to the Standing Committee on Labour, Manpower and Immigration we want to make sure that as a result of amendments the minister will bring in an unemployment insurance act that is an insurance act per se.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, it used to be quite refreshing to listen to the hon. member for Hamilton West (Mr. Alexander) when he spoke on unemployment insurance matters, but having listened to him for three years it has become monotonous. I wonder whether the hon. member has ever gone east, where unemployment in Newfoundland is between 16 per cent and 20 per cent; to Nova Scotia where it is about 9.1 per cent; to New Brunswick where it is about 10 per cent; and to Quebec where it is 9.3 per cent to 9.5 per cent and I wonder whether he has made these great speeches about the work ethic and how the unemployment insurance pay-out is part of the great rip-off which cost the rest of the Canadian taxpayers $2 billion last year in pay-outs to benefit recipients.

I dare say they keep the hon. member on campuses at universities where he can safely make these great, statistical speeches, because I have heard other members of his party from the disadvantaged areas of the east and the north speak in favour of unemployment insurance benefits and even ask for extensions for their constituents.

We hear all these numbers thrown out, billions of dollars mentioned, statistics quoted. Let me point out, however, that the unemployed are not statistics. To be unemployed is a real and cruel experience. Remember that these people are unemployed through no fault of their own. Often their unemployment results from action by federal, provincial or municipal governments, or, in the private sector, because a corporation has changed its pattern of production in the interest of higher profits.

The hon. member for Hamilton West spoke about the work ethic. I always thought the idea was to teach our children to use their abilities to their best advantage in whatever situation they found themselves. Surely it is not above reason to expect that a person who embarks on a job

should get satisfaction and enjoyment from it as well as remuneration. Surely it is not only work for the sake of working; there must be some enjoyment that one gets out of work. On the other hand, the minister was reading from what the Unemployment Insurance Commission had typed up for him. He came here and read it in a deadpan way as if he were trying to downplay the whole issue.

My party is not prepared to have its members make one or two speeches and then let the issue die, because the issue is more important than the unemployment insurance fund; it is far more fundamental than the fact that we have to put $2 billion or $900 million, or whatever the figure may be, into the fund. Surely the question is what the government is prepared to do about unemployment. The problem for the House is not to sit down and devise the finest and most perfect unemployment insurance act, but it lies—and the government must bear full responsibility for it—in the whole question of employment.

The government must accept fully responsibility for having failed working Canadian people because we have to pay for those who are not working, as well as the unemployed who have to face unemployment with limited incomes and must wade through the bureaucracy of the Unemployment Insurance Commission which often makes them wait for weeks before they get their benefits. I know something about this because it happens in my riding. I see the commissioner up in the gallery, smiling away. It is not a smiling matter at all. Surely, if these unemployed people are entitled to benefits there ought to be no delay. Though I must say, about that gentleman, that he has been most co-operative in dealing with some of my more serious cases.

When I see the government proposing Bill C-69, it reminds me of the story of the robin. A certain robin thought, when the fall came, that he would stay up north because the weather was very mild: there was a warm spell and he thought he would not fly south, although that was what his fellow robins did. As the fall progressed, the weather became colder, until December came and it was extremely cold. At that point the robin decided he could not stick around any longer and he ought to fly south. He went up into the air and started flying south. Of course, the air was cold and his wings became frozen. As he started to fall toward the earth, his wings being iced up, he said to himself; "I know I am going to die; the end is near."

● (1640)

The robin fell into the barnyard of a farmer in my riding. As he lay there on the frozen ground, eking out his last breath of life, he thought that the moment had come when he would die. The along came the farmer's horse and defecated on the robin. Then robin started to feel the warmth spreading through his wings and the ice started to melt. He was feeling so good about this that he began to whistle, because that is what robins do when they are happy and warm. The farmer's cat happened to be prowling through the barnyard, and as soon as the cat heard the whistling he tracked the robin down under the mound and popped him into his mouth. There are two morals to this story which Liberals and Conservatives ought to keep in mind: not everyone who defecates on you is your enemy, and not everyone who digs you out is your friend.

[Mr. Rodriguez.]

Mr. Darling: Now let's have your speech; let's have the gospel.

An hon. Member: Where's the punch line?

Mr. Rodriguez: There is a meaning there, and when we think about it both sides of the House will see the connection between that little story and what this government is offering us in Bill C-69. The history of what is proposed by the government with respect to the Employment Insurance Act began back in 1971. Hon. members will recall that that was the year the Prime Minister (Mr. Trudeau) fought his first fight against inflation, and of course it was quite a battle. At that time he said:

> I'm afraid there are a lot of people in this country who are bargaining that, oh well, this government can't hang tough (in its fight against inflation) too long because it will be frightened when it sees unemployment go up to 6 per cent . . . But if the people think we are going to lose our nerve because of that, they should think again; we're not.

That is what the Prime Minister said when he began the first salvos against inflation—and inflation is always fought on the backs of workers, poor workers and workers who are not organized. That battle was fought, but lo and behold, the gentleman who is now the Postmaster General (Mr. Mackasey) came like the white knight on a charger and delivered to parliament an unemployment insurance bill in 1971. He was like the horse. We had before us unemployment insurance legislation which widened the scope of unemployment insurance coverage for that great battle with inflation. At that time, the threshold for unemployment was set at 4 per cent, and it was argued that anything beyond that 4 per cent would be picked up by the government and paid out of the general operating revenues. We know what happened: the 4 per cent unemployment figure became an unrealistic figure. We must remember that one of the arguments put forward by the then minister of manpower and immigration who was responsible for the legislation was as follows:

> Our system is really on trial if we cannot operate on the basis of lower rates of unemployment that have been traditional.

As a matter of fact, he was saying that that 4 per cent threshold would indeed act as an incentive to the government so that it could go about creating employment and so that there would not be a drain on the fund and on the taxpayers of Canada if unemployment should go over 4 per cent. I must say, some incentive!

What is being proposed? Since that threshold has not been an incentive, and of course the government and the minister may not want to be trapped into any such predicament in the future, what is the government prepared to do now? It is prepared to adjust the situation based on the previous eight years of unemployment rates, and of course that figure will float upward as has been the case in the past. It never floats downward, it floats upward, and of course more and more of the cost will be picked up by those who are working. It seems to me that this is a very regressive form of taxation. Those who are working will pick up more and more of the cost of the program. The government will shift from its shoulders the responsibility for its bad planning and for the lack of programs which it ought to hring into this House with respect to employment.

What is the government going to shift in this particular amendment? It is going to shift its estimated $900 million for 1976 on to the shoulders of small businessmen and those who are working. This is a very regressive form of legislation. It is only one of three pieces of regressive legislation we have seen emanating from the June 23 budget. We saw one which imposed a 10 per cent excise tax on gasoline. That tax penalized the working poor, the handicapped and those who live great distances from their jobs. We fought that legislation, but the government had its way.

The second regressive move is the announcement that the government is limiting its contribution to increases in the cost of medicare. Again, taxpayers face an indirect form of taxation; again a regressive taxation will be foisted upon the working poor.

Then there is this particular bill, and I suppose these three items could all be summed up under what the Minister of Finance (Mr. Macdonald) has called "rough justice". First, the government creates unemployment, in the true Keynesian fashion, to fight inflation. Then the people start collecting unemployment insurance benefits; and now they are being blamed for their own predicament and being told that the government has to get tough with them.

We have seen how the government gets tough. The government can get tough when it deals with the little people, but when it deals with large corporations it sets up committees to study their structures but never to come to grips with the problems. It seems to me that when it comes to that kind of fighting, the government is great at doing battle with those who can least defend themselves. I find this very strange indeed. Here we have a government which just last week brought in an anti-inflation program which, according to the government, will fight to keep the lid on wages and prices. It turns out that it is only a lid on wages and not on prices at all. Prices can keep going up. In fact, the Prime Minister told one lady that prices will go up. That is small comfort for the unemployed and for those who are not organized in unions and probably earning only the minimum wage.

Even where there is an organized operation, such as that at Elliot Lake, the conditions are such that workers are forced to accept them or, I suppose, to refuse to work and be counted in that 23,907 the minister rhymed off in his blurb as "having refused employment". It seems to me that this is the situation: it is great to restrain poor people, but when we come to the rich and the powerful it is another story.

As I have said, the new proposal will change the level at which government contributions are triggered from 4 per cent to an average in the last eight years. It seems to me that in 1976, if the present unemployment rise continues, we could see a benchmark of 6 per cent in 1977. In just the same way the government argued that keeping a 4 per cent ceiling was an incentive for the government to keep unemployment down, it appears to me that putting it on a floating scale would just be opting out of their responsibilities completely. They are using it as an escape-hatch from their responsibilities, knowing they did not show any concern when they were taking it out of general revenues. Surely now, when they are proposing a system to take care of those increases automatically, they will show even less concern.

● (1650)

I should like now to look at the question of who is going to pay, and why this party claims this is a regressive tax. The present maximum earnings which are insurable are approximately $8,500. Since about two-thirds of the work force is unorganized and most earn below $8,500, these are the people who are going to pay increased contributions to the unemployment insurance fund. That is why this party takes the position that this is a regressive step. The bosses get the benefits. So far, all we have heard from the official opposition is how the unemployed take the fund to the cleaners. The unemployment insurance fund provides employers with an opportunity to make changes in structure and lay-off people for a period of time and then recall them when they are ready. It is a subsidy situation for the corporation, more than the rip-off situation for the hundreds of thousands of people collecting unemployment insurance benefits that the hon. member for Hamilton West would have us believe.

The second aspect of the bill which we find objectionable is this disqualification of workers who quit jobs "without just cause," or who refuse "suitable employment" or who are "discharged". This is going to be a bureaucratic delight. I have had a very difficult time getting a definition for such phrases as "without just cause", "suitable employment" and "discharged", from the unemployment insurance office. What is "just cause"? There are examples of people who have been given a three-week disqualification period by the Unemployment Insurance Commission and in almost every instance these persons are the unorganized. Organized workers have grievance procedures and the benefit of union officials who are well acquainted with this very confusing act and the regulations. The unorganized people do not have this kind of help and invariably they suffer as a result of such disqualification.

I always thought that in our system you were innocent until proven guilty. At the present time, the bureaucracy slaps on the three-week disqualification and then a person may appeal and go through the board of referees, but if they are unorganized they have to get the permission of the board of referees' chairman before they can go to the umpire. Let us take the case of Miss "X", where an employer demanded to know the dates of her menstrual cycle. She refused to discuss the matter with him, and he told her to leave. That is just one incident. There is another one of a waitress behind the counter, and when the boss passes, his hands are too free so she quits.

Mrs. Campagnolo: That is "just cause".

Mr. Rodriguez: That is right. But my point is that they apply the disqualification first and then you have to prove "just cause". How does one prove that? It is the woman's word against the employer's word. Whose word does the bureaucracy take? Certainly not the woman's. They would just say she was one of those women who worked for eight weeks and then wanted to collect benefits. That is the kind of mentality that permeates the UIC bureaucracy. It actually happens that the disqualification is imposed first and then the worker has to prove that it is in fact "just

cause". What is "just cause"? It is very difficult to prove. The bureaucracy has had a heyday with it.

Also, the phrase "suitable employment"—there is terminology to delight the bureaucrats. The definition of "suitable employment" may be very clear to those at the top, but when it gets down to the level of bureaucracy that deals with the public, it takes on colour depending upon who is interpreting it. The government says the proposed change to six weeks is due to the alarmingly high number of persons leaving their employment. In the white paper that the government issued with the amendments, it says that "despite high rates of unemployment and low ratios of job vacancies to the number of unemployed workers, the number of persons leaving their employment without good cause and refusing suitable employment remain at alarmingly high levels."

The figures indicate that 250,000 people quit their jobs in 1974. That is 2.5 per cent of the labour force. I should like further information on that. Surely it is important to know why they quit and in what sectors of the economy these quittings occurred. Most likely, the people included are some who have been referred to Denison Mines at Elliot Lake, and when they saw the conditions and learned of the impact of silicosis and the measures both levels of government have taken to clean it up, they refused the job and now are included in the 250,000 figure.

The minister is throwing around these figures to justify his argument. I suppose this and the other bill before the House with respect to cutting back the government's contributions in any increased cost of the medicare program could be termed law and order amendments. He is making a big pitch that the government is going to tighten up the Unemployment Insurance Act, when what it is doing is coming down hard on those people who can least defend themselves. They do not belong to a union and have no procedure for expressing dissatisfaction for their working conditions. They do not have the benefit of counselling, so have no option but to quit.

Most non-union workers do not bother to appeal a disqualification. First of all, the appeal is probably heard miles away from where they live and, secondly, the language of the notice from the unemployment insurance office, the significance of the regulations and everything about them, is very confusing and the unemployed feel threatened. When they phone the UIC office there is no one there to help them prepare an appeal. Even though the Unemployment Insurance Commission thinks that the appointment of some kind of ombudsman to help people prepare an appeal is a good idea, it has not appointed one. Further, if the unorganized worker loses an appeal to the board of referees, he cannot go to the umpire unless he first gets the permission of the chairman of the board of referees. On the other hand, we well know that in the case of organized workers the appeal goes automatically to the umpire.

● (1700)

Clearly, the bill discriminates against those who are unorganized. Do we want to force those who are unemployed and unorganized to accept dangerous jobs, to accept frustrating and low paying jobs? It seems to me that the minister is delivering these workers to those kinds of employers who pay the minimum wage or less than the minimum—whose working conditions are less than safe! He is locking these workers into such jobs because they will need to wait for six weeks, if disqualified, plus an additional two weeks waiting period. This means that those people will be without benefits for two months, if they become unemployed under the conditions of this Bill C-69.

I suggest that the act of 1971 was more flexible. It provided more support to those who were working. The virtue of that act was this: it forced employers to improve working conditions of workers who were not happy because of long hours or low pay. It forced certain employers to do what is done in other sectors of the economy where there are proper working conditions and fair rates of pay. It seems to me that was one of the good aspects of the 1971 act.

What has the minister done now? I know what was at the back of his mind. I know the sort of advice he was getting. I remember what happened during the last election, when he attended a so-called great big meeting at Chelmsford arena in Nickel Belt. I know who came to see him.

An hon. Member: A robin, that's who.

Mr. Rodriguez: No, it was not a robin. I have heard him called worse names. It was a fellow who owned a great lumber company at Island Lake, near Chapleau, north of my riding in northern Ontario. This fellow was incensed because workers could get more on unemployment insurance than by working for him. He said that the Unemployment Insurance Act worked as a disincentive to work. So he came to his father confessor the minister over there, and told him about the problem. He said that he wanted to pay workers $2.50 an hour and determine conditions covering meals and living conditions, etc. Father confessor listened and listened, and the result is this legislation. Surely he knows that some of these fellows, some of these employers, impose on their workers the very worst working conditions it is possible to imagine Yet here he is bringing forward this kind of bill. It can only tighten the control of such employers over their employees.

An hon. Member: You mean, he is a friend of the employers?

Mr. Rodriguez: I suppose he is. It is interesting to note that the government has not moved to increase the federal minimum wage. Oh, we have heard the Minister of Labour (Mr. Munro) promising that the government will consider raising the federal minimum wage. So far, it has not gone up. In relation to average industrial income, it has gone down. Between July, 1970, and July, 1975, the federal minimum wage increased by 58 per cent. In the same period, earnings in manufacturing increased by 70 per cent. Therefore, it seems to me that the government is ensuring a large pool of lowly paid workers for employers. These workers must work to support their families. We are providing many employees to employers who are not prepared to institute improved working conditions and fair rates of pay.

The other aspect of this bill my party finds objectionable is that amendment dealing with the dependency rate

of benefit. At present, the act provides for 75 per cent of the weekly wage to a claimant with dependants, and 66⅔ per cent to a claimant without dependants. This bill contemplates eliminating the 75 per cent dependency rate and allowing only the 66⅔ per cent, the rationale being that the government has introduced all sorts of programs for the benefit of families and that the claims for dependants can therefore be eliminated.

I happened to be looking at some documents and, lo and behold, I found a 1972 memo entitled "Some background notes on the unemployment insurance program." The memo set forth arguments to justify the then proposed dependency rate. The argument used then could be equally used now to justify the retention of the dependency benefit. The memo read in part:

> Studies indicated that the benefit structure should permit the unemployed worker to meet at least non-deferable expenses while in search of new work. Economists estimated that about one third of a family's expenses could be deferred for a short time and it is for this reason that benefit payments in the initial stages of the program are set at two thirds of a claimant's average weekly earnings.
>
> In the later stages, benefits can be raised to 75 per cent of average earnings if the claimant had dependants, because non-deferable expenses become more critical if unemployment persists.
>
> As well, the low income groups, i.e. those earning $50 a week or less at the time they become unemployed, are permitted the dependency rate from the outset of their claim in recognition of their lesser capability to absorb a drop in income.

That argument is still valid, yet the minister has seen fit to eliminate the dependency benefit. That is a regressive move designed, I suggest, to make it difficult for unorganized workers to jump from job to job in the areas of Canada suffering from a slowdown in economic growth despite DREE programs and other programs which effectively accelerate technological change and increase profits but do little to create jobs.

The other amendment we cannot accept is the reduction in age from 70 years to 65 years of those eligible to pay UIC premiums and to receive UIC benefits. So far we have talked strictly about how this bill relates to people, to the unemployed. You cannot just consider statistics, whether there are 5,000 people of 65 or over who are unemployed, 100 such people, or only one person. If the bill discriminates against anyone 65 or over, it discriminates against all. Of course, the minister said that the government had considered benefits available under the Canada Pension Plan, old age security provisions and supplementary benefits to this age group are quite adequate. Do not forget, Madam Speaker, that two-thirds of working Canadians are not in unions. Hence, they do not participate in pension plans. Organized workers contribute to pension plans. Sometimes the employer only makes the contributions on behalf of the workers. As any economist will tell you, any worker who is not organized and who therefore does not participate in some kind of pension plan cannot quit work at age 65. It is not a matter of whether such workers want to work. The fact is that such workers must continue working. All our old age programs, supplementary benefit programs and what-have-you provide no more than $3,000, at maximum.

● (1710)

What is the poverty level in this country? It is approximately $4,800. The minister says they have given us the Canada Pension Plan and the old age supplement program, so we should be satisfied and get off their backs. That is not good enough. As I pointed out, for many 65 year olds, retirement is not a matter of taking your ease at the summer cottage or in a condominium in Florida. For many, it is a matter of economics. They do not continue working because they like it.

How many people do we know who have marked off the day of their retirement? I know many workers in my community who have marked the days on the calendar up to the date of their retirement. There are others who must still be available for work. Those people will be eliminated from the UIC rolls. All they can hope for is a low paying job that younger Canadians with higher expectations will not accept.

Even the three-week retirement benefit has gone out the window. In some companies, a person eligible for retirement at age 68 cannot get the three-week retirement benefit. This particular aspect of the bill discriminates against the elderly who are poor. This is a miserly, miserable, mean and insensitive proposal by the minister.

The minister represents a part of Canada where there is a great deal of unemployment—northern Ontario. There are a great many of these cases in his area. I am surprised that he is asking this House and this party to support Bill C-69. We on this side are not prepared to support it. We will fight against the bill as hard as we can. Our difference with the minister on this question is different from the position taken by the official opposition, which is that this bill should possibly be tightened up even more with still more people being cut off the unemployment rolls.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but the time allotted to him has expired.

[*Translation*]

Before recognizing the hon. member for Roberval (Mr. Gauthier), I would like to inform the House of the questions to be considered tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lisgar (Mr. Murta)—Air Transport—Bilingual air traffic control communications—Suggested resumption of study by committee; the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans' Affairs—Request for tabling of bill relating to Hong Kong and European prisoners of war; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian National Railways—Treatment of employees taking French language training—Government action.

GOVERNMENT ORDERS

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. C.-A. Gauthier (Roberval): Madam Speaker, it is with some apprehension that I speak on the bill introduced this afternoon. I carefully listened to the minister and having known him for many years as an honest and just man, I was wondering what he was really thinking while making his statement. I am sure that if the minister had drafted the bill himself, it would be completely different, that is more much human and just. It would be a bill where the financial considerations would surely not override the human factors. However, what can you expect, like everybody else the minister is struggling in our false and so-called democratic system, while we live under an omnipresent bureaucracy headed by a technocracy serving financial powers which still allow us to live in Canada for a few years. That is why I want the minister to know that my remarks are more directed at the system than at himself, for I hold him in high esteem.

Before dealing with Bill C-69, An Act to amend the Unemployment Insurance Act, 1971, we must keep in mind that the purpose of this bill is to lighten the burden of small wage-earners. It is quite the opposite, since this bill stems from the fifth great element in the program of the former Minister of Finance (Mr. Turner) to limit public involvement in connection with unemployment insurance. If I make this statement in my opening remarks, it is to caution my readers not to fall for the misleading representations in the act which, it so happens, reads:

RECOMMENDATION

His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Unemployment Insurance Act, 1971 to add, in the manner provided, a new class to the existing classes of insurable employment; to provide, in the manner prescribed, for changes in qualifying periods, benefit periods, entitlement to benefits and, rates of benefits; to provide, in the manner prescribed, for a new basis for the calculation that determines the proportion of the basic cost of benefit for a year that will be borne by the Government; to make the employer's premiums of Her Majesty in right of Canada payable by statute; and to provide for the payment of allowances to persons or their representatives who attend before an umpire on an appeal from a decision of the Minister.

All the newspapers which were probably well paid to publicize the fact that the federal government had finally decided to lead the way in reducing federal expenses have left out the fact that all of this would probably be achieved at the expenses of minimum wage workers. We must recognize that those who claim to keep the Canadian public well informed are unwilling or unable to admit that the victims of the example given by the federal government are those who earn $6,000 or less per year. And it is precisely to those unemployed that the minister is saying:

[The Acting Speaker (Mrs. Morin).]

We have felt it necessary to amend the Unemployment Insurance Act to give it more adaptability and fairness. The minister dares talk about justice when he proposes to cut off unemployment benefits to those who are 65 years of age or over, the very persons who have paid premiums right from the beginning of the unemployment insurance program and have never put in any claim. Why? We were told this afternoon that it was because old age pensions had been increased.

● (1720)

But, Madam Speaker, did he figure out that the higher old age pension fell far short of the cost of living increase since 1971. The minister dares speak of justice when he wants to raise the small wage earner's premiums. There are 5 per cent unemployed who earned only the minimum wage, that is $2.60 an hour in Quebec, without any possibility of indexation. Is it just to penalize a person with six weeks' waiting when a worker quits his job for personal reasons? Because it so happens, Madam Speaker, that a worker has personal reasons as is often the case when an employer discharges a worker. In my opinion, it is an injustice in the Russian manner. Is it just to give a claimant with one or more dependants only 66⅔ when the old law was granting him 75 per cent, after the escalation of the cost of living due to the government's blunders and carelessness. To excuse the government, the minister talks of more generous family allowances. He very well knows that they are not making up the difference since 1971. He knows it but he cannot say it. It is merely social injustice which is reigning supreme since this government is in power and which they are mistaking for justice, because of their parliamentary majority.

I have stated before, with supporting evidence, that 80 per cent of the so-called social legislation passed through the House was clearly anti-social, and this bill is new proof of that. This bill is presented almost as a favour granted to people, a favour granted to the unemployed, like a bunch of flowers offered by a perfect valet. But looking at it more closely, what is it there to see, Madam Speaker? We bear in mind the minister's disconcerting promises of justice and equity, but the more deeply we examine the bill, the more we realize the discrimination which will result from it if no major amendment is moved before the Standing Committee on Labour, Manpower and Immigration. To illustrate more clearly my remarks, I will draw hon. members' attention to a few actual experiences which will highlight all the imposture hidden under this complacent literary style.

Take, for example, the question of illness and pregnancy. The bill provides for an increase or rather an extension of the period of coverage in case of illness or pregnancy. But if the minister keeps the same regulations, and that is the point, all diseases will be well codified and the officer's decisions will be mandatory. What will be the use of such an extension, then? If the regulations made by the bureaucrats who are now listening to me and approved by the minister without the reelected members of this House having a word to say and being even able to read them, determine, for instance, that an appendectomy requires three weeks' coverage, as though all surgery cases were similar, what will that extension mean? It all becomes a practical joke. Since 1971, we of the Social Credit Party

ask the government to acknowledge in priority the attending physician's diagnosis.

We are always confronted with a *fait accompli*, that is to say that the civil servant reverses the medical opinion to conform with he standards approved by the minister and the dictates of the bureaucracy.

Is there anything more antisocial and more ridiculous? Not one word dealing with that urgent problem is to be found in Bill C-69! The minister will object saying that the unemployed who is sick can always ask for a second, a third or even a fourth certificate. That is precisely what is ridiculous, Madam Speaker, since the surgeon or attending physician has stated that such and such a patient must rest for five, six or seven weeks, because of the seriousness of the operation and resulting convalescence. That this same doctor should have to sign two, three, four or even five certificates confirming the original prescription because a civil servant devoid of any medical knowledge has made a decision instead of the responsible person, the attending physician. Again the minister may object that some technocrats have done so or that the commission has its own physician.

Do you sincerely believe that the physician designated by the minister can appraise all the cases in his office in Montreal or elsewhere? There is nothing more ridiculous when civil servants say in such cases that it is Dr. Dunn's or someone else's decision. Let us put an end to this practical joke.

We, of the Social Credit, advise the minister to put forward an amendment so that the physician's diagnosis can only be reversed by an ad hoc medical board.

This afternoon I thought the minister would reduce the number of weeks for eligibility in case of illness, but he did nothing. People will still have to work for 20 weeks before being eligible for unemployment insurance benefits in case of illness. However, if there is a worker who needs money, it is the worker who is ill. The number of weeks for eligibility should be the same as for a worker in perfect health. The minister hinted that he would introduce further amendments and we hope that he will pay particular attention to the case I have just mentioned.

Another shortcoming in this bill is that it fails to mention anything new regarding entitlement to benefits nor does it set a limit date to establish entitlement in case of complications and dispute with the employer. It is the case when an employer refuses to pay for the stamps of an employee who has worked for several weeks for this employer, he then quits and goes to work for another boss who offers him higher wages and better working conditions.

I have solved several problems of this kind but it was only after forceful discussions and two or three months' waiting that I finally won the argument on behalf of the applicants. Let us sympathize over the plight of a bread winner who has to wait two or three months for his case to be settled. That, is a serious matter!

Right now, I still know another case which is pending, from which I infer either that officials do not receive clear instructions, or that they do not have the authority to settle on the spot the case of employers who are trying to punish workers for not accepting starvation wages.

● (1730)

The most peculiar thing in this case, which has been pending for a few months, is that civil servants believed the statements of the employer, his wife, his children, his whole family, while they seem to ignore completely the statements made under oath by the worker himself, his fellow workers and all those who cannot talk, when faced with dismissal. In brief, one accepts without hesitation the employer's statement and considers the worker as a liar when all his companions declare before the commission or the civil servants that he was actually doing such work during so many weeks, then the employer says no, because he was paying him cash every Saturday night. Those problems and tricks are found particularly in restaurants.

In my opinion, this problem should be considered by the government. That is why I wonder, Mr. Speaker, what brings the civil servants to deny so casually the statements made under oath by a worker against an employer's false statement. Maybe the unemployed will win his case. But this poor unemployed, who is sick to boot, has been waiting for more than two months and a half for the civil servants' decision. That is why we ask the minister to bring an amendment if necessary so that civil servants will have more authority to take actions vis-à-vis employers who fail to acknowledge the amount of time worked for them and to pay their employees the stamps for the weeks worked.

Madam Speaker, I had an unfortunate experience respecting hundreds of workers. This was another situation. All of them had been working for the Quebec Department of Lands and Forest. Only after action was taken against the Quebec government which had had the work classified as non-insurable employment by the Department of Revenue did all those workers win their case after waiting for a year. Only after a year was justice done to those workers employed by the government of Quebec. How is that for logic?

An amendment will therefore have to be introduced with respect to those governments in order to compel provinces to determine, before works start, whether such works, or workers will or will not be eligible for unemployment insurance benefits.

The bill does not deal either with lumberjacks—another serious problem in our parts—lumberjacks who are discriminated against as compared with other industrial workers. Indeed, if a lumberjack does not complete four weeks, the contractor has a right to give him no stamp at all, whereas in the rest of industry, if a worker is working for one, two or three weeks, he gets his stamps. Unscrupulous contractors can therefore take advantage of that measure by abusing it or even better by pestering the worker to have him leave the working site before completing the four weeks and therefore not qualify. Moreover, he gets disqualified for three weeks, and that disqualification will be extended to six weeks with the new bill. Do you know that in a whole winter, some contractors save hundreds of dollars through a form of legal injustice?

An amendment should be introduced to put the forest industry on equal footing with any other industry. We see every day that, contrary to the minister of manpower's own recommendations, the government appears to be acting unilaterally. They ignore representations by serious

bodies such as "Action-Chômage" in Montreal. I even wonder if bureaucrats in Ottawa took the time to read the latter's brief, otherwise Bill C-69 would be quite different. I am referring here to claims for overpayment. Very often these overpayments are caused by ignorance of both statute and regulations. Even members of Parliament do not know these regulations, which are not submitted to them. How can workers find their way through that maze? The regulations are four times as bulky as the act itself, and they simply deprive the latter of any of its potentially good effects.

The government is proud of the $4 million of overpayment it got back. Who but the victims know of all the inequities caused by the exaction of forced declarations during house inquest, by threats of legal action or by intimidation. Over the last few years, the department doubled its army of inspectors sent to force declarations out of claimants. First, claimants were told they were being helped. Somebody came to their house, supposedly to help, and scribbled something on a piece of paper the claimant had to sign without any explanation, without any mention of consequences.

After these inquests, claimants received a benefit cancellation notice or a note of overpayment. The minister just admitted this afternoon that 144,000 unemployed were struck off the list in this way. Talk about a victory! There is a section on accounting errors. But there are also errors by omission, when the minister does not instruct his officials to explain the act and all the regulations, nor to fully inform workers and employers. There is a definite gap there.

It is ignorance of regulations on the part of both the employer and the worker. We say they are not allowed to ignore the law but, Madam Speaker, we are not allowed to ignore regulations yet they are not submitted to us, to this House for approval. And this is where the situation is serious. I think that you will obtain much more efficiency and honesty if you turn your staff into social workers instead of policemen looking for new victims that will only fill up the coffers of the government. The minister is not interested in giving justice to the unemployed, but only in boasting a fat unemployment insurance fund.

To this end, he will double the contributions if needed to have an unemployment insurance program financially self-sufficient. When the government grants almost half a million dollars to the CBC to hire actors at enormous salaries where is its concern about self-sufficiency? Yet the Unemployment Insurance Commsision has a social role to fulfill much more urgent than the CBC.

● (1740)

And, all those grants that the government allots for research or so-called manpower incentives—I could give you many examples of it—and that are nothing but political patronage. Let us not forget that all those selective grants are taken from the consolidated revenue fund, that is to say from the pockets and from the pay cheques of the workers. The minister had the honesty to admit it this afternoon.

The former Minister of Finance (Mr. Turner) said that it was necessary to change the way to calculate the part of unemployment insurance benefits financed by contributors. And he added that the cost of the program beyond the self-supported part was a burden for the state. The basis of his tabulations was then an unemployment rate of 4 per cent. But is it the workers' responsibility if unemployment has reached the present levels? Then why should the small earners support the burden of government mismanagement?

One only has to consider that in Quebec alone out of a labour force of 2,729,000 at the end of September only 2,476,000 workers were working, which means that 203,000 are unemployed. After all the increases in premiums and the restrictions on benefit payments, how does one dare talk about justice for workers? Is this really the time to restrict expenditures for unemployment insurance when we are facing the hardest winter in many years?

The minister was sincere when he admitted he agreed entirely with the principles of the unemployment insurance program. It provides, the former Minister of Finance used to say, a steady income to workers who are unfortunate enough to lose their jobs, and reduces the anxieties caused by unemployment. Well, I learned from certain bureaucrats that the new orders are that benefits are to be paid so the unemployed will look for work first.

I am under the impression that technocrats give orders to officials who must obey under penalty of tough sanctions although they are aware that those anticipated orders, to say the least, are in conflict with the very spirit of the Unemployment Insurance Act.

One may fool the public for a while, Madam Speaker, but not indefinitely. Today, the majority of workers have organized so they will not be bamboozled by the government. That is why we are not surprised to hear the protests of the leaders, the large unions, now able to detect all the double dealings hidden in a text of law. For example, the president of the Canadian Labour Congress stated that all small workers will bear the weight of the amendments to the Unemployment Insurance Act and confirmed that 75 per cent of all unemployment insurance claimants earn $6,000 a year or less.

Madam Speaker, it seems to me the Unemployment Insurance Commission is a service to the public. What do we find out, after we have been promised two years ago that we would have independent offices in the riding of Roberval, offices where decisions could be taken on the spot in order to provide personal service to persons unemployed for 15 days at most?

What did we get? A limited staff whose only task is to receive complaints and refer them to the regional office. These poor officials are there only to hear the complaints and often the insults voiced by unemployed people who have had it up to here, simply because those officials have no decision power. On two occasions, I was nevertheless promised that everything would be settled, but we are still waiting for those services.

Far be it from me to put the blame on the regional office which is overworked and cannot therefore give adequate service. Anyway, the persons responsible for that office look forward to the day when the minister will finally decide to give the services asked for many months ago.

Madam Speaker, there are many other points with which I should like to deal, such as the four weeks without

benefits, for instance, but my time is running short. I want to ask the minister to read my remarks carefully and then, to introduce himself the required amendments to this House, if he really wants, as he said again this afternoon, to treat the unemployed fairly.

As a consolation prize, the minister tells us that in the future he will issue a new insurance number to those who have lost theirs. I believe this is already current practice because it has happened several times in my riding: I had no trouble getting another number for those people who had problems with their numbers.

Madam Speaker, those who are entitled to benefits and were denied those rights by decisions of civil servants can finally have their travelling expenses paid, when they will have to appear before the board of referees, while they used to pay all their expenses. In future, I am pleased to see that the minister has announced this slight improvement which is not much. Last year, I think that at least ten of my constituents had to refer to arbitration. Thus, very little is granted, only peanuts!

An hon. Member: It is not all that bad!

Mr. Gauthier (Roberval): I solve the cases myself. If you come in my constituency and we will convince you. But above all, the minister admitted this afternoon that his department will save—this is the best gift—some $170 million with his new bill. I leave the conclusion to the 700,000 unemployed Canadians.

[*English*]

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I think it is indeed a unique occasion when members of this House can speak on an unemployment insurance bill because it seems to me that most members of parliament spend a good deal of time assisting constituents through the sometimes intricate maze that is dependent upon their getting their benefits through that commission. As a result of the comprehensive review of that act, certain complexities and inequities have become very apparent. That is what Bill C-69 has come to grips with now.

For almost two years unemployment insurance has been the subject of comprehensive review to determine whether it continues to meet its mandate in the most effective way possible in a dynamic modern economy. A number of complexities and inequities have come to light through the four years of experience which are now on record with the act, and through the results of the review.

One important inequity which has been brought forward relates to a degree of rigidity in the maternity benefits provided under the terms of the Unemployment Insurance Act. The 1971 act limited the payment of maternity benefits to a set 15-week period, with eight weeks immediately preceding the week of confinement and six weeks following it. This called for a very precise estimate of the date of birth by a woman's physician and took little account of the vagaries of nature. Thus women often lost several weeks of benefit if the birth of their child was either premature, or miscalculated. Thus the spirit of the provision of maternity benefits through the Unemployment Insurance Commission was often frustrated by a simple matter of biology.

I should like to make particular reference to those women of northern and less populous areas who must often arrange to leave their homes in advance of a birth in order to bear their child in a modern medical facility. There was no differential possible in the previous legislation for such circumstances, circumstances which often cost them considerable loss of benefits not lost by their southern sisters.

We made the elimination of this inequity part of the omnibus bill, C-16, on which I was privileged to speak on May 29 in this House. That bill, which received Royal Assent on July 30, will be implemented the first week of February 1976, and its provisions will provide a measure of flexibility to maternity benefits which will guarantee that the mother will receive the full benefit to which she is entitled, without placing her unborn child on notice to be born on a pre-ordained Unemployment Insurance Commission schedule.

● (1750)

There have been inequities evident in the provision of sickness benefits as well, and a similar degree of flexibility will be introduced into the payment of these benefits by Bill C-69. Under the present legislation, sickness benefits are only payable during the first 15 weeks of a claim for which benefits are payable. As a result, a person who has been on claim for some weeks and then falls ill and becomes incapable of working must face either a much reduced eligibility for sickness benefits, or in some cases may find himself without any protection at all at a time when it is most desperately needed.

Bill C-69 proposes to redress this inequity by making sickness benefits payable for a maximum of 15 weeks during all initial periods of a claim that has been established. Thus, instead of limiting these benefits to the first 15 weeks for which benefits are payable, they may now be payable during the first 25 compensable weeks which may be paid at any time during the first 39 weeks of a claim. This almost doubles the degree of flexibility for sickness benefits and is expected to resolve a problem encountered by many claimants, one which has proved a real hardship for far too many Canadians.

A related problem, and one which my constituents have drawn to my attention on a number of occasions, relates to the fact that claimants may not under the present act terminate their claim, even when it is in their own interest to do so. This is particularly important in the case of special benefits, such as sickness and maternity, which are only payable in the initial stages of the claim. For example, claimants who draw several weeks of benefit, return to work for 20 or more weeks, and then fall ill, find themselves ineligible to receive sickness benefits because they are out of the initial benefit period of their claim. Bill C-69 will permit such claimants to terminate their existing claim and establish a new one on the basis of the 20 or more weeks that they worked, thus enabling them to establish eligibility for special benefits.

Prior to 1971 the Unemployment Insurance Act contained a provision allowing claimants who had been out of the labour market involuntarily to be granted an extension in their qualifying period so that they could have the protection of unemployment insurance during the crucial

period of their re-entry into the work force. For example, persons who had been working in insurable employment and then fell ill for a year or more so that they could not work, or who were incarcerated in a penal institution, could have their qualifying period extended to enable them to establish eligibility for benefits once they were ready to return to the work force.

The 1971 legislation reduced the qualifying period to the point where people needed only eight weeks of insurable employment in the preceding 52, or since their last claim, to become eligible for benefits. It was thought that the eight week period would be short enough to allow people who had been out of the work force to re-establish their eligibility quickly. Unfortunately, however, experience shows that despite this easing of the qualifying conditions, situations still exist where persons are unable to qualify for benefits because of a lengthy absence from the active labour force. Bill C-69 proposes to extend the qualifying period to 104 weeks from the current 52 for persons in these unique situations who are actively seeking to re-establish themselves in the productive sphere of living by earning the means to pay their way.

In addition to extending the qualifying period, the bill also proposes to extend the benefit period for such people. That means that people who have established a claim for benefit and then lose their eligibility because of an involuntary withdrawal from the work force will be able to qualify for an extension of their benefit period when they are ready to seek employment again.

Groups which will benefit from this proposal include claimants on approved training courses, persons who are incapable of working for reasons of sickness or disability, those who receive temporary workmen's compensation, and inmates of penal institutions.

I do not know why it was at that point that I suddenly thought of the hon. member for Hamilton West (Mr. Alexander), but the hon. member really aroused my curiosity to a high degree when he mentioned that family allowance was for the children. I wondered if he really did give family allowance cheques to his children. I think the government made a very wise decision when it decided who the trustee for family allowance would be. It is the wife, not the husband, and with good reason, because allowances are issued for the benefit of the family and not as pin money in lieu of allowances. This is done by thousands and thousands of wise and thrifty women across this country.

Under the present act persons working on local initiatives and assistance program projects are eligible for employment insurance coverage. However, the project sponsors, that is, those who develop and obtain funding for projects and who often supervise the projects, spearheading them in many ways toward realization, these spark plugs, if you will, Madam Speaker, are not eligible. This is an inequity which this bill proposes to redress. This proposal is in support of the importance which the federal government is placing on job training, in particular on LEAP and LIP which have, from their inception, actively encouraged the participation of the unemployed in the creation and management of labour intensive projects.

The historic reason for criticism of LIP and LEAP escapes me, but I think it must be because so many members of the House are representatives of large urban areas, and in those areas which are not gigantic cities LIP and LEAP have become a veritable touchstone of improvement in small places. They are visible and tangible assets to them. In non-urban areas of Canada you can look at recreation centres erected where they would never be erected any under any other program; you can look at the finishing of housing, at the erection of fire halls, and the establishment of senior citizens' help programs. I inspected one yesterday in the Queen Charlotte Islands. It was one that our federal and B.C. governmental agencies considered and said was impossible because it would cost probably $1 million, so of course it could not be done. It is an erosion control system which keeps the Pacific ocean from eroding village land. The people there put out a LIP project and during the first phase for a mere $27,000, with some voluntary and some paid work, have begun to make this possible.

I would like to continue, Madam Speaker, but I see it is six o'clock, so I move, seconded by the hon. member for Saint-Jean (Mr. Smith), that the debate now be adjourned.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until eight o'clock tonight at which time, may I remind hon. members, that pursuant to the order made prior to adjournment on October 24, 1975, the House will proceed to the taking of a recorded division in relation to the second reading and references to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ANTI-INFLATION ACT

MEASURE TO PROVIDE FOR RESTRAINT OF PROFIT MARGINS, PRICES, DIVIDENDS AND COMPENSATION

The House resumed, from Friday, October 24, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Turner (London East)): Pursuant to an order of the House made Friday, October 24, 1975, the House will proceed to record the deferred division on second reading of Bill C-73. Call in the members.

The House divided on the motion of Mr. Macdonald (Rosedale) which was agreed to on the following division:

● (2010)

(Division No. 75)

YEAS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Andras
(Port Arthur)
Andre
(Calgary Centre)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Bawden
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Crouse
Cullen
Danson
Darling
Daudlin
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Dupont
Duquet
Ellis
Elzinga
Epp
Fairweather
Forrestall
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lajoie
Lalonde
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
Lavoie
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
MacKay
MacLean
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Masniuk
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
Ouellet
Paproski
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Raines
Reid
Richardson
Roberts
Rompkey
Sauvé (Mrs.)
Sharp
Smith
(Churchill)
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Cochrane)
Stollery
Tessier
Trudel
Turner
(London East)
Watson
Whelan
Whittaker
Woolliams
Yanakis
Yewchuk—161.

NAYS

Messrs.

Allard
Beaudoin
Benjamin
Broadbent
Cossitt
Firth
Fortin
Gauthier
(Roberval)
Gilbert
Hamilton
(Qu'Appelle-Moose
Mountain)
Hogan
Jones
Knowles
(Winnipeg
North Centre)
Laprise
Leggatt
Nystrom
Orlikow
Peters
Rodriguez
Symes—20.

● (2030)

Mr. Speaker: I therefore declare the motion carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. I think my name may have been inadvertently called during the taking of the vote. I did not vote. I do not think the government has yet presented its case.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Egmont (Mr. MacDonald) is absolutely right. He did not rise during the voting. I was able to observe that from here. However, I did hear his name being called inadvertently. The record will be amended to delete his name from the vote.

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, when I left off at six o'clock I was describing some of the more successful and outstanding LIP projects. I do not want it to appear on the record as though there were only a few. On further research I have discovered that the few are those that are not successful.

Contrary to the popular history engendered by members opposite, LIP projects have been proceeding in an even greater and much more effective pattern in recent years.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: I was describing a particularly successful project that I noted yesterday in my travels in the Queen Charlotte Islands where governments, both federal and provincial—hon. members will notice my lack of partisanship—estimated the amount in the excess of $1 million. The people in that particular village, through successive LIP projects, will have been able to complete the project at a cost in the area of $50,000, in just over two years. That was done with not only paid workers but with volunteer workers as well.

These are the kind of people we are talking about in this particular bill. We are talking about the sponsors of the bill, those who bring the projects to fruition and those who supply the energy and know-how behind the projects. Those are the ones I am talking about this evening. As I said, that is one example. There are a great many others. The program is working, and working very well.

For those who represent the very large cities which have vast amounts of money, it perhaps does not matter that a sea-wall has been built in a very small village in Canada. However, let me say that when you have 17.43 per cent unemployment, as Skeena does, you do not sneer at LIP and you do not deny the sponsor UIC benefits.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I have been trying to hear what the hon. lady has to say; however, her colleagues are busy chewing the fat.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Skeena (Mrs. Campagnolo) has the floor. All remarks should be addressed to the Chair.

Mrs. Campagnolo: Mr. Speaker, the only fat I would like to see my colleagues chew are some of the fat cats over there, who pretend to be saviours of labour.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: Equal treatment is what I am talking about under the Unemployment Insurance Act, equal treatment for the worker and the sponsor under LIP and LEAP projects vis-à-vis unemployment coverage. This is justice! I appreciate the member opposite giving me the opportunity to be heard.

Mr. Benjamin: Tell that to the people in Regina-Lake Centre.

Mrs. Campagnolo: I was in Regina-Lake Centre last week. I found that a lot of people there are unemployed. Therefore I am sure the hon. member appreciates LIP projects as I do.

There has been concern expressed about the appeal system. The appeal system is an integral part of the whole unemployment insurance plan. It has been in existence since 1941, providing an effective recourse for both claimants and employers.

The hon. member for Nickel Belt (Mr. Rodriguez) talked today very knowingly about the sweet little waitress who had the misfortune of having a boss who put his hands where they should not be. He forgets there is legal recourse for this kind of thing. Most of the women I know would not be above putting him in his place, going to court and getting a successful judgment against the offender and claiming their UIC benefits as a result.

Cases are heard by the Federal Court of Canada, the umpire if you will. I think "umpire" is a very good term. I think it puts succinctly what we were discussing earlier in this debate today. This is fed back into the eligibility determinations made by the commission. Thus the appeal system is crucial not only in terms of offering an effective channel through which to challenge bureaucratic decisions but also as keeping the program responsive and attuned to the judiciary's interpretation of the way the program should operate. And challenging bureaucratic decisions is a process which I am sure hon. members opposite are as happy to see as I am and, that includes members of the New Democratic Party.

● (2040)

An important amendment in Bill C-69 provides for the payment of travelling expenses by the UIC for its clients and their representatives attending hearings of the umpire in cases concerning coverage under the act. The legislation provides for the payment of expenses of appellants who are appealing cases concerning benefit. The proposed amendment increases the accessibility of the appeal system to persons who disagree with decisions of the commission.

I am sure members opposite who have small disagreements with the minister over this bill will bring them to the fore in the committee.

I think I would be really remiss in winding up this discussion tonight were I to do so without saying how much I appreciate the efforts of those in the field who administer the present legislation and who will administer Bill C-19 when it becomes an act. These are the men and women who deal day after day with the ordinary people we are supposed to represent here. We hear all too often from members opposite that there is nothing but a giant bureaucracy out there with no feeling for human beings. It is our job to make sure this is not the case. If the people at the bureaucratic level fail it is because we have failed to bring the message to them, and that is what I am asking you to do tonight. It is my opinion, Mr. Speaker, that the U.I.C. people in the field, who are dealing with the conflicts and human problems are faced every day by many people in this country, some of whom never dreamed they would ever be out of a job—they felt they were beyond the pale, that they would never need to call upon the resources of the country to protect them. More and more they find that this, indeed, can happen, and I would like especially to remember those who deal with them on a day to day basis.

Some hon. Members: Hear, hear!

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, this is a most timely opportunity to talk about Bill C-69, a bill with unemployment insurance, because we are at almost the same time dealing with inflation and discussing inflation. The Prime Minister (Mr. Trudeau) suggested last weekend that union leaders who do not obey guidelines might well be put in jail in order to help the process.

I should like to quote something about the attitude of the public as stated by R. S. Malone in the *Globe and Mail*

of today, Monday, October 27. Speaking of inflation he had this to say:

> But what about some of the larger and even more "untouchable" items? What about the staggering annual costs in unemployment benefits? All Canadians are aware that this program has become a national scandal to which Ottawa closes its eyes. Surely a time has come to bring a halt to the massive cheating and moonlighting which goes on, costing the taxpayers millions a month.
>
> Some strict screening, individual investigation, regular monthly reviews, effective penalties and allowance cuts when reasonable work is refused, are long overdue.

This may be an extreme view but it is typical of the view held by many among the public. On the other hand of course, we, as members of parliament, tend to come into contact with many cases in which there appear to be an element of injustice following the application of unemployment insurance regulations.

As one who was involved with the legislation in 1971, I think I can say that as a result of the changes which were made then the whole plan was removed farther away from the concept of a general insurance plan. To my mind, Mr. Speaker, the most important aspect of this legislation is the change being made in the bench mark rather than the regulations we have been discussing.

The Postmaster General (Mr. Mackasey), when he was minister of labour, had this to say when he brought forward his white paper:

> The government is not only willing to help provide a system of income support during an adjustment process; it is also ready to assume the cost of extra unemployment insurance benefits when the national unemployment rate exceeds 4 per cent. This policy is perhaps one of the most interesting in the entire proposal. It clearly establishes the government's responsibility for the financial support of a national unemployment insurance program over and above the self-financing aspect.

With this change in the guidelines and the bench marks it is quite obvious the government has changed the whole goal of unemployment insurance. Now, as time goes on, bringing us into a moving average of the previous eight years of employment, within a few years employers and employees will be paying almost the full shot and, in turn, the government will be making the rules by which the money is spent. It seems to me important that we decide whether we are running a reasonable insurance program, or whether we are running a social welfare or social benefit program. If it is an insurance program then it is probably fair and reasonable that the employers and employees should pay for it. If it is a social welfare program surely the government of the day, the public exchequer, is the agency which must take a hand in it and put up a lot of the money.

What about the philosophy behind unemployment insurance? At first glance social justice should be the principal supporting argument in favour of unemployment insurance. It appears unfair that those least capable of bearing the burden of unemployment and least responsible for its causes, should suffer hardship. It might be felt, too, that productivity would increase because of an increased feeling of security among workers. Superficially, at least, unemployment seems to conform to the tests of an insurable risk: it applies to a sufficiently large group of people and over a sufficiently wide range of operations to permit the operation of the law of averages, and, theoretically, the economic loss can be compensated for, wholly or partially, by indemnifying an idle worker on the basis of former earnings.

It should be noted that voluntary unemployment insurance plans, widely prevalent in Europe in the early part of this century, broke down because they were not actuarially sound. The same can now be said of our own unemployment insurance system. Further, in the event of major calamity or depression, the strain of cyclical unemployment of a severe sort will lead to the complete collapse of our way of handling payments to the unemployed. To some extent this has happened causing the federal treasury to step in.

There are certain inherent features which are detrimental to the unemployment insurance concept. In circumstances of severe unemployment the fund is likely not great enough to carry the excess load, and even if an enormous reserve were to be accumulated its sudden disposal on the money market would depress business.

There are bound to be all kinds of bad side effects attached to any unemployment insurance program. The contributions of employees tend to increase costs and prices, and the contributions of employers lead to increased wage demands. Then, too reliance on unemployment insurance in times of need curtails the incentive to save. This reduces savings which are necessary for our economy to prosper. The unemployment insurance program is detrimental to employees' loyalty and increases labour turnover. As well, the psychological side effects of unemployment insurance are harmful. Work is increasingly looked upon as being purely optional instead of being viewed as a vital necessity in order to survive.

Unemployment insurance promotes evasion of responsibility; governments turn a blind eye to all kinds of abuses; workers believe they have only rights, no duties; and employers are given no incentive to maintain employment. A true insurance program would have to offer financial rewards to employees who would build up credit in the form of reduced premiums by not applying for unemployment insurance payments, and to employers who maintain payrolls and do not lay off employees unnecessarily.

● (2050)

It is obvious now that there must be a recognition of the key here: "Unemployment exists", according to John Maynard Keynes, "because employers are deprived of profit". Therefore the only real improvement in the unemployment situation lies in preventing unemployment, not in expedience for distributing the loss occasioned by it. Obviously compassion and justice require assistance for those truly in need. By and large the working public would gladly support any such proposal.

Having given some thought to what pitfalls are in a truly insurance proposal, we may follow along to discuss some of the changes that occurred in 1971 when the new Unemployment Insurance Act was brought forward.

It is obvious that the government miscalculated when it brought forward this proposal. As one who was on the committee I might say that the government was obviously flying blind. It did not know or have any reasonable concept of what the cost of the program would be in the years to come. At that time the unemployment pay-out

was based on 43 per cent of the average worker's income, and rising as high as 50 per cent in certain cases.

The minister in charge of the unemployment insurance legislation and his officials obviously had no real forecast of what the expenditures would be. First of all they were presented with evidence to show that there would be a shortfall of at least $350 million, a minimum figure based on conditions existing in the year ending March 31, 1970, when unemployment was 4.8 per cent. The government made errors in its calculations and concluded there would only be an increase in the pay-out rate from 43 per cent to 66⅔ per cent of the income of claimants generally, ignoring the fact that there would be a considerable cost in the form of additional benefits during the phase calling for 75 per cent of income.

The government did not calculate that the ceiling benefit of $53 a week then would increase to $100 per week under the new amendments to the Unemployment Insurance Act. Furthermore the government proposed that the waiting period be extended from one to two weeks. The unemployment insurance people estimated this change would give rise to a saving in benefits of $160 million. That figure was impossible. It did not take into account that following the two weeks waiting period that the claimant would be paid three weeks's benefits. The only ceiling that would arise in this case was where a new job was found within the two weeks, but the white paper acknowledges that normally this takes from three to five weeks.

No allowance has been made for an obvious increase in benefit costs that would occur as a result of the shortened eligibility period of eight weeks. Certainly this is considered to amount to more that $65 million.

At that time facts and figures in respect of unemployment insurance in the 1970's were presented to the parliamentary committee. Following the estimate of what the cost of unemployment insurance would be in 1975 at a rate of 7 per cent, the estimate then based on 1972 figures would bring this to $1,081 million.

We have now an unemployment rate of only slightly more than 7 per cent; 7.2 per cent to 7.5 per cent, yet the cost of unemployment insurance is $4 billion. Even allowing for an increase in the average weekly wage from the $150 in 1970 to something like $200 now, the government's estimate was not even close. If its estimate had been accurate, the cost of unemployment insurance this year would be something in the neighbourhood of $1,500 million, a far cry from the $4 billion it is actually costing us. Never mind what happened to the fellow with the fishes and the loaves feeding the multitude. No one could have been more wrong than the unemployment officials and the minister in estimating the cost which has now reached $4 billion.

In the intervening period the minister kept saying there would not be an increase in the cost. It is perhaps difficult to relate unemployment insurance costs to the general economy because of the rapid inflation and the variation in the unemployment rate. It is difficult to relate this in constant dollars. We can only look back and compare it with what has gone before. Perhaps it would be beneficial to make a comparison between our gross national product at the market price and unemployment pay-outs. This might be illuminating and of some value.

[Mr. Ritchie.]

For instance in 1964 the gross national product was about $50 billion and the unemployment insurance pay-out was $324 million, or 0.65 per cent. That percentage pay-out held fairly steady during the 1960's. In 1965 it was 0.57 per cent of the gross national product, in 1967 it was 0.54 per cent, in 1968 it was 0.61 per cent, in 1970 it was 0.82 per cent, and in 1971 it was 0.95 per cent. Then we came to 1972 when it suddenly jumped to 1.81 per cent. In other words, with the change to the Unemployment Insurance Act we had a doubling of the pay-out under the unemployment insurance fund in comparison to the gross national product. This has increased until at the present time we have a pay-out of nearly $1 billion and our gross national product is estimated at approximately $140 billion, or 2.92 per cent.

There has obviously been a fundamental change in respect of unemployment insurance. Some might suggest that the additional people brought in under the act in 1971 made the difference, but certainly these people would not normally be unemployed then or now. This includes government workers, federal, provincial and municipal, and certainly government workers are not usually unemployed. In fact a government employee almost has to be guilty of moral turpitude to be discharged.

Teachers were brought in, but I am sure they would not increase the unemployment rate. I think most members will have found it is almost impossible for a teacher to collect unemployment insurance. Employees of hospitals and charitable institutions were covered. Perhaps there might have been a slight increase in respect of workers in lower skilled jobs, but those in highly skilled jobs, I am sure, did not contribute to the increase. It also covered the armed forces, police forces, and professional athletes. Surely those people have not changed the pattern of pay-out under unemployment insurance.

When questioning the minister who appeared before the committee on May 25, 1971, I asked:

> Mr. Minister, I would just like clarification of this saving on the first week of $160 million, on that paper you kindly sent around.

Later I asked:

> —by increasing the waiting period from one to two weeks, you are saving about 45 per cent of the regular unemployment, based on a 4 per cent rate.
>
> MR. MACKASEY: But the money is going elsewhere into the plan. We have increased benefits, we have lowered eligibility to the eight weeks, despite the two weeks. It is really a distribution on the table. As I recall, this table shows were we save and where we spend, and we show that we increase the costs by $65 million by lowering eligibility.
>
> MR. RITCHIE: Mr. Minister, what astounds me is that by increasing the waiting period from one to two weeks, you are saving about 45 per cent of the regular unemployment, based on a 4 per cent rate.
>
> MR. MACKASEY: Unemployment is really front-loaded. Even in the month of January this year, at the height of all that high unemployment, over 110,000 or 120,000 people went back to work.

● (2100)

At the time the government passed the Unemployment Insurance Act it had no concept of the cost of this program. Furthermore, there is intense feeling that unemployment insurance is a great rip-off and that people are collecting benefits unnecessarily, to the detriment of the working fabric of our enonomy. This may or may not be true, but I think it can be said that when benefits are available a worker is entitled to manage his affairs so as to obtain them if he so decides.

At a time of statistically high unemployment I was astounded to hear tonight of a riding that was awarded nearly $1 million in LIP grants which is based on the unemployment rate, while in my rural area riding the total was $155,000. One wonders how accurate are the unemployment statistics. At a time of statistically high unemployment workers are difficult to obtain for industry. There has been a lack of available workers, particularly in agricultural and other basic industries such as forestry and mining. This is particularly true in respect of jobs which are not too pleasant.

In some of these cases I do not think it is because sufficient money is not being offered. There may be many unemployed workers, but they are unemployed because they cannot find the particular jobs they would like to have. If the economy is to function, then the jobs which are not too pleasant must be filled. If we are to have a healthy and vigourous economy we might ask whether unemployment insurance contributes to this.

In respect of the Unemployment Insurance Act, and certainly its administration, it has been one of my contentions that the Unemployment Insurance Commission is unnecessarily severe in respect of certain people who are not protected through belonging to a large union or a large company. I cannot help but feel at times that in a rural area it is unnecessarily severe in administering regulations concerning small people who are not likely to be able to fight back. The cases brought to my attention always involve people who do not belong to a large union or a large corporation.

Many people in my area, in the small hamlets and villages, cannot obtain unemployment insurance benefits because the officials have ruled that they must move to work centres a good many miles away. The distance rule at times is being applied very severely, and sometimes I feel unfairly. For this reason I maintain that many people who pay unemployment insurance dues and live in rural areas in fact are virtually excluded from receiving benefits because of the residence rule. I do not know whether this is fair. Generally the unemployment insurance officers rule that they must go many miles away. This really is impracticable.

Indeed Unemployment Insurance officials today I say would depopulate many hamlets and villages by moving workers to larger urban centres. Obviously in order to control abuses of the fund the officials apply the regulations very severely. Unfortunately in my area they seem to apply them to the casual people and those least able to cope.

These people to whom I refer are doing jobs which no one else wants. They are farm labourers, camp cooks, and people who work away from home on road work. It seems to me that before this bill is passed we should recognize there should be a thorough-going inquiry into the working philosophy of the Unemployment Insurance Commission. What the government has proposed will not materially change the thrust of the Unemployment Insurance Act, other than shift it from a government role to a private role so far as paying for it is concerned. In fact, with the government still making the rules and regulations there will be a tendency on the part of politicians to increase benefits since the public treasury will not have to bear the full cost. We need to know whether or not unemployment insurance is to be viewed in terms of true unemployment insurance, as income redistribution, or social welfare.

A recent publication of Statistics Canada gives an idea of what income redistribution has been in the country as a whole. I think this is quite interesting. For instance, for the month of July Newfoundland received $12 million in payments; New Brunswick received $11 million; Quebec received almost $95 million; Ontario received $80 million; Manitoba received $4 million; Saskatchewan received $3 million, Alberta almost $7 million, and British Columbia almost $32 million. When one examines these figures one finds a wide variation in the amount of money received relative to the population of each province. The total paid out was $256 million. Had it been paid out in Canada on the basis of Manitoba's insurance pay-out the total payment would have amounted to something like $88 million, while in respect of Saskatchewan it would have been even better at something like $70 million.

I ask what effect income redistribution has on the structure of our economy and our society. We have a very contrived country. The government works on rules which are based on political expediency rather than on the state of the market. So I think we should examine the effect redistribution has had on the growth of our country. We have paid out vast amounts of money in DREE and other grants to entice industry to backward areas or areas in which industries do not seem to thrive.

Does unemployment insurance aid and abet the failure of industries to establish and thrive in certain backward areas? Why should there be such a large discrepancy between one area and another? This is not entirely explained by the good or bad times which occur in our economy in selected regions, from time to time. Do the methods used in respect of employment vary from area to area? Do the criteria in respect of payment vary more in one area than in another? Certainly from my experience with unemployment insurance claims in my area I can say the officials could cause the spending or the saving of hundreds of millions of dollars in a year by applying the regulations severely or not so severely.

Does unemployment insurance encourage workers to remain unnecessarily in a high unemployment area? We must look at this particularly because of the extended benefits policy whereby a person with only eight weeks attachment to the labour force may receive benefits of up to 52 weeks if conditions are right.

We might look at the question of whether or not unemployment insurance benefits are too high at 66⅔ per cent. We cannot blame any worker today who takes advantage of these benefits if it is in his interest to do so. If the system allows a payment then the worker is entitled to this payment. If the rate is 66⅔ of a man's average weekly earnings, then particularly if he has a cold job in this cold country he may want to take advantage of it. His costs are increased if he has to buy extra clothes, or drive his car a long way and he is not able to start it in the freeze up. This is where the figure of 66⅔ must be seriously considered.

● (2110)

In his recent budget the former minister of finance stated that unemployment insurance would be changed,

and he proposed five basic changes on the basis that the cost to the government is becoming unwieldy and that the present act contains undesirable features. He pointed out the fact that the act was too expensive in its operations, and that the present cost to the government is almost double the amount that the government had forecast in view of the rate of unemployment back in 1972. Benefit payments in 1975-76 are expected to exceed $3.75 billion, placing a total cost on the government of approximately $1.75 billion. This is cause for considerable alarm.

Unemployment in 1974 averaged 5.4 per cent and has been running this year at an annual rate of 7.2 per cent. It may well be that due to the state of the economy the rate of unemployment may well reach 8 per cent by the end of the year. But unemployment statistics do not account for all the increases in pay-outs. While unemployment benefits rose by 31 per cent from April, 1974, to April, 1975, the total cost of UIC rose 69 per cent. More important is the fact that the length of the benefit period for recipients increased by 51 per cent over the same period. In other words, people did not go back to work at the same rate as they did previously. This factor can be interpreted as the result of either the mismanagement of the unemployment insurance fund or a growing trend where people feel more secure collecting unemployment insurance benefits than working. Needless to say, the former minister of finance has tended to place the blame more on the latter than on the former.

With regard to disincentives let me say that I have not seen much evidence one way or another. In fact in a report put out by the Department of Manpower and Immigration entitled "Canadian Work Values" the following conclusion is stated clearly:

> Clearly, Canadians are committed to work— Canadians see themselves as industrious people to whom work contributes a feeling of success and, for a large proportion, of personal fulfilment.

While this is a fact, it is true that more and more people confine themselves to work which they like. This is human, it is what we would all like to do, namely, work at jobs we feel we like. But in practice all sectors of our economy must be covered and some people must do jobs which they do not find too interesting.

I should now like to discuss briefly some of the solutions the government has proposed. First, the government proposes an increase from three to six weeks in the period of disqualification for those who have quit or been fired from their jobs, or have refused suitable employment. Superficially one cannot critize this proposal, but certainly I feel strongly that certain people who leave their jobs, who quit or who are fired, do so for good reason. We all have personality problems. Very often it is not the boss who is the reason for a person quitting his job, it is his fellow workers or some difficult situation, perhaps a personal situation. Therefore, it seems to me there is place here for providing some recourse for the one who is fired or who quits if the reason for his quitting was beyond his control.

The second government proposal is that the payments of premiums and the receipt of benefits will terminate at age 65. Again it seems to me that the government is saying to people 65 and over, "We do not want you in the labour force any longer". Perhaps due to the high rate of unemployment this can be tolerated at present, but we are fast approaching an era in which we will need those who are 65 and over in our work force.

[Mr. Ritchie.]

In other societies in Europe and in Russia people over 65 years of age are wanted in the work force. It would seem to be practical that some arrangements be made to allow these people to collect unemployment insurance if they wish. Many people over that age do not want to work because they have worked a lifetime and they do not want to continue. But I believe that within reason we should encourage people over 65 to remain in the labour force, and especially those people who do not draw unnecessarily on the fund should be allowed to continue. Perhaps one solution might be to give them an option of whether or not they draw on unemployment insurance.

I would like to make a few comments now on the new government employee adjustment procedure. Unemployment insurance currently operates on the basis of employee-employer contributions covering costs when unemployment is 4 per cent or less. The Minister of Manpower and Immigration (Mr. Andras) stated to the Standing Committee on Labour, Manpower and Immigration on May 27, 1975:

> An unemployment scheme like ours does have a crucial role to play in keeping the economy ship afloat in an industrialized country and that is something that we should recognize when we examine the cost of a program like this one of ours.

What the government is proposing is a fundamental change. By changing the 4 per cent unemployment benchmark to an eight year moving average, and by doing so during a recession, the government is ensuring that little or none of the additional cost of unemployment insurance, which accrues from its inability to deal with unemployment, will fall on the federal treasury in years ahead. Since this renegation of the clearly established benchmark of 1971 makes it apparent that the government is no longer committed to 4 per cent unemployment, and since a great need exists for unemployment insurance, irrespective of the government's posture, it is safe to assume that the total cost of unemployment insurance will remain exorbitant and probably will even increase.

I should like to read to you what the present Postmaster General, the former minister of labour, had to say when he was giving evidence on 25 June, 1971, before the Committee on Labour, Manpower and Immigration. He said:

> . . . The point I was making . . . which is a valid one, I think, is that if we had no unemployment insurance plan, or if the government was not seized under this bill with the responsibility of providing the features beyond the 4 per cent, despite Mr. Thomas' arguments, which were good arguments, in that event governments would have to assume their legal and moral responsibility to reward the unemployed in this country. If you had a 10 per cent period for instance of unemployment at 7 per cent you would certainly have an added burden on the general revenue or on the Treasury to provide some financial assistance to people.

In other words, the minister of that day was adamant that the 4 per cent was necessary, that the country had a social obligation to shoulder the burden, and that it would be a good thing because it would provide the government with an incentive to reduce unemployment. Now, however, the burden created by the ineptitude of the government will fall directly on the shoulders of the taxpayer through what is in fact a new form of payroll taxation, and at that, regressive taxation of the worst ilk.

● (2120)

This may have been quoted previously, but Don McGillivray, a financial analyst writing for the *Financial Times*, wrote the following:

> . . . the change in unemployment insurance financing faces Canadian employees and employers with an additional tax burden at least twice as heavy as the extra tax on gasoline . . . this extra payroll tax under the new formulae may reach $800 million to $1 billion next year.

The important thing is that this is merely a transfer of tax from the federal treasury to the employee and the employer, but is it in effect a scheme of viable insurance, or does it carry a large element of welfare? Employers and employees would be reasonably happy to carry a scheme which is a true insurance program, but when it is a welfare scheme or where there is a large element of welfare involved, surely it becomes the decision of the government of the day to modify it as to what pattern they shall pay.

Leaving aside the points which have been debated, the important thing is the changing of the bench mark which reduces the cost to the government and increases the cost to employers and employees, while in effect the same pay-outs and the same difficulties remain in the system.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I have great pleasure in taking part in this important debate on Bill C-69.

This most important bill was tabled for first reading on July 8,1975, and I hope that, with the cooperation of all members of this House, it will be passed without a delay which might impede the application of measures designed to provide more efficient administration for the Unemployment Insurance Commission.

Since 1940, thousands of Canadians have taken advantage of this program, but it was not until 1971 that workers have been granted an unprecedented protection when benefits passed from 40 per cent of their weekly earnings to 66⅔ per cent.

Previously, if a worker was so unfortunate as to become ill, he could not receive any benefits under the act. An applicant had to accumulate 30 weeks out of the last 104 to be entitled to benefits, which according to several members of all parties in the House, made the policy outdated and discriminatory for thousands of Canadian workers. And especially those who live in areas where the unemployment rate is higher, such as in the Maritimes, in Quebec or some locations in the prairies or Ontario. Therefore the 1971 legislation compensated for several injustices, reducing to eight the number of weeks required to qualify for some benefits and to twenty weeks for all benefits such as the allowance in the case of illness or maternity and granting a maximum of 51 weeks of benefits.

It is therefore obvious that the new unemployment insurance scheme is fairer and more efficient and allows a better distribution of incomes than before 1971. However, Mr. Speaker, since the coming into force of the new legislation, several members, especially in the government caucus, have made representations and recommendations to have the unemployment insurance legislation amended to correct some problems which according to them create injustices for workers who are disallowed benefits for some rather technical reasons as well as the problem due to abuses by some workers.

According to current legislation, a person is not subject to pay any premium on reaching age 70 or when he or she is entitled to a retirement pension or a pension under the Canada Pension Plan or the Quebec Pension Plan.

Since 1971, both federal and provincial programs have been substantially improved, among other things the income supplement for persons 65 years or over. The most important improvements include the indexation of old age security pensions and the guaranteed income supplement, the indexation of tax exemptions and the increase in the retirement pension under the Canada Pension Plan or the Quebec Pension Plan. For instance, the monthly old age security pension has gone up from $80 in 1971 to about $126 in 1975. The monthly guaranteed income supplement has also risen from $34 for a single person in 1971 to $88 this year. Particularly, the retirement pension paid in accordance with the Canada Pension Plan has increased from $65 in 1971 to $130 a month on July 1, 1975.

Considering all those improvements, the programs would unnecessarily overlap if persons having age 65 were still covered by the unemployment insurance plan. We must also take notice of the fact that it is almost impossible to apply effectively the provisions of the law pertaining to availability and active search for a job to persons of that age since a great many of them are no longer members of the labour force.

In Bill C-69, it is proposed that persons attaining the age of 65 cease to be insured and pay unemployment insurance premiums. Thus persons who will be 65 years of age and will have had at least 20 weeks of insurable employment will receive a special retirement benefit equal to not less than three times the weekly rate of benefit, or an amount of not less than three weekly benefits, if the benefit period has already been established for the claimant.

Mr. Speaker, the old law specified that the age limit would be 70 mainly because at that time that was the age at which people became eligible for old age pension.

I think it would have been more realistic, in all those years, if unemployment insurance had ceased at 69 when people 69 years of age became eligible for pension and so on, gradually lowering each year until 65, which would have made it unnecessary to pass this legislation. However, the main objective was to provide income until retirement. In those days it was believed that the desirable retirement age was 70. And yet, there have been improvements in this area.

● (2130)

It is a fact that whenever the House was dealing with pensions, a number of hon. members, either from the Social Credit Party of Canada or the Progressive Conservative Party, and especially the hon. member for Joliette (Mr. La Salle), claimed that, in their opinion, the purpose was for workers to become pensioners when they reached age 60. Their main argument was to create jobs when people retired from the labour force at age 60.

What I can hardly understand, although people are invited to retire at age 65, is that these people want to keep on working. Therefore, when they ask to create jobs for people 60 years of age, they are not using the same argument. I wish people who retire at age 60 could have decent lives. If there is a responsibility for people who are 65 years old or over and who are employed, it is not that of an insurance. I see that the Minister of National Health and Welfare (Mr. Lalonde) is in the House. It is his duty and that of provinces to look after that. We, members of this party, feel that the people who are 65 years of age have worked enough. They deserve a well earned rest after all these many years of working.

Moreover, to allow people of 65 to receive a pension in order to retire more easily, in 1971, those who quit their jobs, at least those who wanted to continue to receive unemployment insurance benefits, were not entitled to do so while being covered by the Canada Pension Plan. That has been corrected since then. Today, at 65, the person who retires is entitled to receive the old age security pension, the full amount of the Canada Pension Plan. Nothing is taken off, except perhaps in one province, and I hope that in that province amendments will be made rapidly to eliminate discrimination against Quebec workers, for instance, whose contributions to the Quebec Pension Plan will be reduced, if they are still working at 65, according to their income, which does not apply in all other provinces of Canada. I wish an amendment in that respect will soon be voted in Quebec.

The age limit for eligibility for unemployment insurance has long been a feature of European plans. In the Federal Republic of Germany, the insured cease to be eligible for benefits when they are 65. Mention is often made of Sweden by our friends of the opposition. There are many plans in that country that are managed by unions, and eligibility for benefits cease at age 65. In Great Britain, for a long time now, the age limit has been tied to the date of eligibility for a pension under the national plan. In Italy, unemployment insurance benefits cease at 60 for men and 55 for women. In all those countries, the age limit is roughly the same as that which is understood in Bill C-69. Unemployment insurance is meant to protect the worker during his active life, and in many European countries, as in Canada, it is felt that other social programs must ensure financial assistance after normal retirement age.

The act as it stands now provides, in the case of persons and dependents, a special rate equal to 75 per cent of the average weekly insurable salary. That rate applies to all those who benefit from unemployment insurance payments during the period of extended payments, and to those who earn the equivalent of or less than a third of the maximum insurable salary during the initial period of benefits.

Since 1971, the government has taken steps to increase the assistance given those who have dependents. The most striking example is family allowances: they have tripled since 1971. For instance, a person with three children aged one to six who used to get $18 a month in 1971 now receives $66.24. In addition, those allowances have been indexed to the cost of living. Those changes, added to higher old age security payments and the guaranteed income supplement meet, far more efficiently, the needs of people with dependents; they also do away with the reason for a special rate of benefits in their case.

The situation as it exists now in the United States as regards the payment of higher benefits to the recipients with one dependent or more supports the proposal made in Bill C-69. In 41 of the 52 states which have an unemployment insurance plan, benefits are paid at a single rate and the benefits are equivalent to a fixed percentage of the claimant's salary during the qualifying period. In the 11 states which make provision for the dependents, the weekly benefits are nearing or equal to two-thirds of the salary. The rate does not change with the length of demand or the sum of the gains in any state.

The act which was in force before June 27, 1971 provided for an exclusion period of up to six weeks for applicants who left their employment of their own will, lost their job for misbehaviour or refused a suitable job. Normally, this exclusion did not reduce the number of weekly payments the insured person could get; it only delayed the payment of benefits for a period of up to six weeks.

When the new act was enacted in 1971, the maximum period of disqualification was reduced from six to three weeks. The number of weekly benefits payable to claimants was therefore reduced by three. Since 1971, experience has shown that the reduction to three weeks of the disqualification period did not reach its goal, which was to reduce the number of cases where claimants voluntarily left their jobs without reasonable cause, were laid off for cause or refused a suitable job. The number of disqualifications in one year, which is around 300,000, remains dangerously high despite high rates of unemployment and a small proportion of jobs versus number of unemployed.

In view of the proposed amendment to the Canadian program, it is interesting to see how in other countries claimants are disqualified in cases of voluntarily departure without sufficient reason, loss of employment due to misconduct or refusal to accept a suitable job. In the United States, penalties range from simple deferment of benefits for a specified period to complete loss of these benefits.

In other countries, the plan is less harsh, with a reduction in benefits that would otherwise be payable. Certain countries will not pay benefits during the unemployment period or longer, while requiring the claimant to work for a further period in order to requalify. In certain European countries, as Sweden and the Netherlands, the worker who voluntarily leaves his job without sufficient reason does not qualify for benefits. In other countries, the penalty in such cases varies according to the number of occurrences, being more severe on a second or a third voluntary departure.

In a country such as Canada, where unemployment insurance is aimed at favouring manpower mobility, such a formula would not be suitable. The insured persons must of course pay the consequences of loss of revenues through voluntary departure or job refusal. But after some time, they must be able to qualify again under the plan. Another recommendation involves the new threshold for the computation of the government's part of the cost of initial benefits. The principles embodied in the 1971 act, concerning the sharing of the cost between the government and the private sector, are that the private sector must pay for the share of the basic cost of the plan that relates more

directly to the insurance part, and the government for that share of the cost that is more in the nature of a transfer payment. In fact, the federal government assumes the whole cost of those extended benefits paid to training allowance recipients and fishermen.

● (2140)

The private sector takes charge of the whole cost of sickness and maternity benefits, special severance benefits and administrative expenses. The private sector also pays the cost of common initial benefits as long as the unemployment rate is not in excess of 4 per cent. The public sector only pays for those benefits when the unemployment rate is in excess of 4 per cent. The 4 per cent threshold was inferred from comparable costs of the former and new plans for the 1960 to 1969 period. The government think the basic approach of 1971 as well as the concept of the 4 per cent threshold still are valid. However, the 4 per cent threshold stemmed from the economic situation of the decade preceding the introduction of the new legislation.

Since then of course, deep economic and social changes have greatly affected the labour market in general and the unemployment insurance plan in particular. Unemployment rates as well as the cost of unemployment insurance have consequently had a relative tendency to rise. Therefore, if the necessary association between the government and the private sector is to be maintained, in practice as well as in theory, a new sharing concept has to be developed that will be more in keeping with the changing patterns of the social and economic situation.

In view of those remarks, a new unemployment threshold is being proposed to achieve a better balance of initial benefit costs between the government and the private sector. The new rate will be based on the average of monthly rates for each eight years' unemployment period ending on the 30th of June of the year preceding the year for which the threshold is being determined. This moving average will reflect conditions much more closely than the present formula. At the same time it will offer some protection against any abrupt change from year to year. The regular adjustment of the threshold will only affect the division of the cost of initial ordinary payable benefits. The extension benefits to those who are unemployed for a longer period of time will remain entirely payable by the federal government.

Earlier this afternoon the hon. member for Nickel Belt (Mr. Rodriguez) referred to this new cost of taxation. He accused the government of transferring $800 million to workers. First, there is no such amount as $800 million. I think the government is still going to save $600 million. That is accurate because in that $600 million they will be able to save about $170 million under all the recommendations included in the amendments to Bill C-69, and the part that employee and employer are going to have to pay is not $800 million but actually $490 million. In that $490 million the workers will not be the only ones paying but they will pay about $210 million. That would be more accurate than $800 million. Employers or corporations or all those employing them will pay 1.4 of that, which means about $280 million that they would have to pay for a figure of $490 million and not $800 million being thrown in, as mentioned earlier.

The financing of unemployment insurance plans in other countries—

I see an hon. member interrupting. He will have his chance to talk afterwards, and I will not interrupt when he is talking.

—especially in the United States of America, is of some interest because of the high rate of unemployment in that country. Many states are having difficulty financing their plans. Every state has a fund. That is where they take their benefits. The reserve of this fund generally increases during periods when unemployment is low and diminishes when it is high. Already 14 states had to borrow money from the federal government to meet their obligations to the unemployed, their reserve being used up. In 16 other states it is estimated that revenues might not be sufficient to pays benefits by the end of December 1976. Those facts show the important effects of high unemployment rates on unemployment insurance funds.

We see how much the protection given through unemployment insurance has changed in the Unites States if we compare the $4.2 billion paid to claimants in 1970 and the $20 billion that are going to be paid in 1975. In the United States, the programs also lay upon the federal government the obligation to pay a part of the benefit costs during high unemployment periods and to help people unemployed during an extended period.

Then, Madam Speaker, the principles underlying unemployment insurance are very similar in every country. However, their implementation should be adapted and modified in view of the changing situation in each country to offer constantly improved protection to the public. The Canadian system compares favourably not only to systems in other countries but also as we can see in Bill C-69, it is adapted to meet existing needs.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I am delighted to see the minister in the House at this late hour, and delighted to see the hon. member for Skeena (Mrs. Campagnolo), as I wish to refer to what these two hon. members said in the second reading debate on this bill. The minister used such jargon as "income support," "income maintenance," and "term insurance" to describe the Unemployment Insurance Act. But he did not increase our understanding of the act or reconcile the paradoxes underlying the Unemployment Insurance Act.

About the only positive thing the minister said in his introduction on second reading was that there will need to be further changes to the unemployment insurance program. Indeed I assure you that there will need to be further changes before we can be excited about some of the things the minister proposed.

I am delighted to see my colleague from Skeena, and was interested to hear her assessment of the minister's speech. I have a good deal in common with the hon. lady. She represents a constituency similar to mine.

Mr. Guay (St. Boniface): And she is good looking.

Mr. Oberle: It was interesting to listen to the way she dealt with some of the obvious discrepancies in the act, discrepancies which apply to the areas we represent. It

will be interesting to note what she tells the loggers of Skeena and the service industry of the area. It will be interesting to note the enthusiasm with which the industries of the area learn that not only must they compete for people on the labour market, but that they must compete with the unemployment insurance fund, as people will receive unemployment insurance after the LIP and LEAP programs run out, as will people who have come out of jail.

Industry is facing an awful time trying to find people to work. At the same time the unemployment rate in some localities is between 20 per cent and 22 per cent. I agree with my colleague. She ought to make every effort today and next week to obtain as much LIP money as possible before the program runs out. I agree that the people of the area suffer from problems, but I suggest that those problems have little to do with unemployment. They are of a social nature, and unemployment insurance really should not be involved.

The bill before the House indicates to us that, as with the case of inflation, the government is adjusting its sails to the prevailing winds of political expediency in dealing with unemployment. It indicates that the government has identified the monster for what it is, and is now asking the House, by introducing Bill C-69, to arm itself with a slingshot with which to attack the beast. The bill, as my colleagues, particularly the hon. member for Hamilton West (Mr. Alexander), indicated, will do little to bring the flood under control. And, of all horror stories, that of the government's financial bungling of the UIC fund truly takes the cake.

In 1970 the total outlay in this field was $695 million. The government's contribution was $224 million. In 1975 we expect to be presented with a voucher amounting to $1,150,000,000 in public money. That is the amount needed to sustain the UIC fund if unemployment rises in excess of 4 per cent. Employers and employees are expected to come up with another $2 billion in the current year.

● (2150)

The government with the introduction of Bill C-69 has now, in addition to removing any checks and ceilings from the funds, also abandoned the commitment to strive for a maximum rate of unemployment of 4 per cent in Canada.

Administrative costs as well have kept pace with the orgy of spending. The former minister's white paper of 1970 projected costs of administration of the fund which, over a three-year period, were exceeded by over 100 per cent. Administration costs for 1974 estimated at $74 million actually cost $162 million. I will not bore the House with long lists of the shameful performance of the government.

The hon. member for Skeena made reference to daily dealings with the unemployment office by talking of bureaucrats who try to administer. It was interesting to note how excited she became about travel expenses being paid to people to get their appeal referred to the umpire. In her part of the country and mine, people cannot get to the appeal board. Some must travel 700 miles—and then there is always a unanimous decision by the appeal board.

We have told the minister that people cannot get their appeals heard. For those in the northern parts of Canada, there is no such thing as an appeal to the Unemployment Insurance Commission or the appeal board. How, not having been able to get to the appeal board, having been turned down before the appeal gets started, will they go to the umpire, particularly when the decision is always unanimous, as it is in Prince George? The chairman will not consider having the appeal referred to some other tribunal.

With regard to the orgy in spending, for those of us who daily deal with the UIC office, this does not come as a surprise. Armies of dedicated managers, adjudicators, counsellors, commissioners, agents, clerks, and janitors man the regional, district and local offices, carrying out the intent of an act, the intention of which has never been defined. Are they employees of an insurance corporation, or is it a social service they are providing? Is it a Manpower management agency or a relief agency for those who can either not find work or have no intention of working as long as benefits flow freely from the UIC commission?

A major division of the UIC army deals with abuses of the act. All of us know that abuses of the act present the major outlay, not only in the administration but also in benefits paid.

I wish to examine some of the obvious abuses. I will put them in two categories. The first deals with abuses permissible under the act. Unless the government addresses itself to this question, the flood will continue to flow over the dam. I have concerned myself with this question for some time.

In 1973 I canvassed my constituents with a questionnaire that asked some very serious questions. For example, I asked "How do you look at the unemployment insurance program (1) as similar to a savings program where you should eventually get something back?" Thirty-four per cent replied "yes". They felt that if you pay into the scheme, you should get something back. The other part of the question was "(2) as a life insurance policy where nothing is paid unless you are out of work involuntarily." The greater percentage, 72 per cent, was honest and said it should indeed be the intention of the act.

I also asked, "Do you consider the services of Canada Manpower adequate in matching job seekers with jobs?" Sixty-one per cent said no because it simply does not work. The services in my part of the country are not synchronized, nor are they anywhere else. I also asked, "Do you feel the services of Canada Manpower and of the Unemployment Insurance Commission should be combined?" to which 71 per cent replied yes.

Some people in Canada use the service as a bank, storing up leisure time. Let me give some examples of what I mean. The first is a family I know who live in the city of Victoria, British Columbia. This is no reflection on my colleague from British Columbia because the story is not very pretty. The man has reached middle age and is in a better than middle income category, earning between $35,000 and $40,000 a year. The children have left home and the wife is bored. The husband travels a lot and she is home alone.

To overcome her boredom she works in the local butcher shop for about eight months of the year. When her husband is home, she likes to be with him. She has an agreement with her employer whereby she quits her job and for four months of the year collects unemployment

insurance. She does not necessarily want the unemployment insurance or to make an abuse of the fund, but she is trapped in the system. What alternative does she have?

Another example involves some friends we were visiting in Prince George in the constituency of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mrs. Campagnolo). The woman told me to observe what was going on across the street. A middle aged couple were loading a car and a very expensive silver trailer. They were about to embark on a journey to an undisclosed destination. It was not that cold, but the woman had on a fancy mink coat, apparently wanting to protect herself between the house and the car. The husband, a fisherman, earned about $40,000 a year. He is a good fisherman and deserves that income. The wife works in a supermarket. At the time they left Prince George, they were both receiving unemployment insurance. This is one of the permissible abuses.

I have just one more example. It involves construction workers in Powell River. Because of climatic conditions, they have cyclical employment, working seven, eight or nine months of the year. Because of the make-up of their jobs, the income they earn is much higher than that of someone who works all year. In addition to earning between $25,000 and $30,000 a year, they collect unemployment for four months. That is another example of permissible abuses. May I call it ten o'clock, Madam Speaker.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—BILINGUAL AIR TRAFFIC CONTROL COMMUNICATIONS—SUGGESTED RESUMPTION OF STUDY BY COMMITTEE

Mr. Jack Murta (Lisgar): Madam Speaker, at the outset of this short debate I should like to state that I question the use of the French language as a means of air traffic control. While sympathetic to the cultural aims of Canada's linguistic minority I believe that the highly technical field of aviation, with its critical safety factor, is no proper arena for the introduction of bilingualism in the pursuit of social ends.

Until I, and a good many people like myself, can be convinced otherwise, I cannot accept or condone the concept of bilingual air to ground communication. Introduction of such a concept would compromise aviation safety and in aviation the aim is, surely, to remove any compromise with safety. I believe there is a real danger involved in the continued and wider use of two languages in air-ground communications. One should not be so much concerned with personal or collective language rights to be found in the Official Languages Act as with personal or collective responsibility toward safety.

The demand in one specialized sector that the use of French be authorized for regional aviation operations is dangerous. Superficially, it might appear harmless for the Ministry of Transport to allow the use of French, say, between Baie Comeau control tower and a member of the local airplane club, but it is neither desirable nor possible to work out a system catering to local pride in language without coming into hazardous conflict with general practice.

For whatever motives the newly organized group of air traffic controllers in Quebec wants French to be given equal recognition with English, it is willing to close its eyes to world-wide procedures designed to make aviation safer by eliminating language conflicts in communications. If choosing English discriminates against the French of French Canada it is also unfair to the Germans, Dutch, Spanish, Italians, Portuguese and members of all other language groups who must communicate with pilots or control towers during split second take-offs and landings in international flights. It appears that the Quebec controllers are aiming for a change in the Official Languages Act to expand the use of French.

All this may sound rather bigoted against the use of French but I assure you, Madam Speaker, that it is not. The main thing we must all keep first and foremost in our minds is the importance of aviation safety. I happen to feel that to compromise aviation safety by using a language other than English is at some point in time likely to be detrimental or fatal to the Canadian flying public. I believe that to make an exception for Quebec will merely isolate private pilots in that province who are described as the main beneficiaries of the proposals, making it more difficult for them ever to fly outside the province of Quebec. Regardless of a natural pride in one's mother tongue, English is the language of communication in aviation, as it is at sea.

What concerns many people is the question of what would happen if the use of the French language were to be expanded to more than the five airports presently employing it. What about the major airports in the Province of Quebec? For that matter, what about the rest of Canada?

It is interesting to note—and the government may attach some importance to it—that the Flying Farmers of Canada, a large organization composed of farm people using light aircraft in all the provinces across Canada, has come out full square in favour of the use of the English language in air-ground communications. The association has passed a resolution stating that it would prefer all air traffic controllers to be instructed in English only. The association makes it clear that the flying farmers are not speaking out against French but against the use of any language other than English—the universal language of aviation.

I would urge the Parliamentary Secretary to the Minister of Transport (Mr. Goodale), who is in his place, to come clean in the debate tonight and to state the government's intentions. The committee (BILCOM) has failed and it appears it is divided not on the safety factor but on the language factor. We see a minority report coming out of Project BILCOM advocating the use of the French language much more extensively than at the present time. The writer of that report talks more about the Official Languages Act than he does about air safety.

I cannot and will not condone what is taking place at the present time in the province of Quebec in terms of air safety. I believe that if the experiment is allowed to continue lives may be lost, and an even greater fear is that at some point in time the Ministry of Transport may be talked into allowing the use of the French language to expand throughout the province of Quebec to the major international airports.

For these reasons I would urge the government to reverse its stand on the aspect of bilingual air-ground communications before someone is seriously hurt.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, let me say as I begin to reply to the hon. member this evening that I very much agree with his general concern for safety, and I assure him that the minister and the Ministry of Transport do so as well. However, I cannot agree with the hon. member's interpretation of the facts in the particular case to which he has referred.

The Minister of Transport (Mr. Lang) intends to continue investigation into the safety aspect of the use of two languages during air-ground communications, and consultation with the aviation community in that regard. The decision to introduce further changes to the existing language situation will not be made before the most exhaustive examination indicates clearly that such changes will appear to be safe and will in fact be safe.

The minister has said in reply to the hon. member's earlier question that while, where convenient and possible, the ministry would want to make French language facilities available to pilots, the uppermost consideration must be conditions of safety in flight. The minister further indicated that discussions would be continued with all interested groups involved in the air industry to demonstrate that this is what we are trying to accomplish.

Prior to its dissolution, the safety committee to which the hon. member has referred agreed on the provision of bilingual advisory service by air radio stations in the province of Quebec. The ministry has prepared a plan to implement this service but intends to brief the aviation associations prior to implementation.

Any extension of bilingual VFR control beyond the present five airport areas in the province of Quebec will be the subject of separate consultation with aviation associations, and will be contemplated only where fully consistent with safety.

The areas of Dorval and Mirabel airports will continue to be excluded from any such consideration of expansion. The more complex problem of the introduction of the French language into air-ground communications during flight operations under instrument flight rules will require extensive study and use of the air traffic service simulator and the joint participation of the aviation community before it can be determined that this change is feasible.

VETERANS AFFAIRS—REQUEST FOR TABLING OF BILL RELATING TO HONG KONG AND EUROPEAN PRISONERS OF WAR

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Wednesday, July 29, as recorded in *Hansard* at page 8023, I put this question to the Minister of Veterans Affairs (Mr. MacDonald):

Will the minister consider tabling, before the House rises for its recess, the government's bill implementing the recommendations of the Standing Committee on Veterans Affairs with respect to Canadian prisoners of war, both Hong Kong and European?

The minister's reply was to the effect that the recess was just about upon us and he doubted if it would be possible to meet my request before we rose for the summer. However, he did say this in respect of the legislation about which I questioned him:

It is being prepared, for presentation to cabinet.

Sometime later, on Wednesday, October 15, I put another question to the Minister of Veterans Affairs in which I reminded him of the exchange on July 29 to which I have just referred. I concluded by asking him my question in these words:

Can he say whether a bill implementing these recommendations will be introduced shortly?

The minister replied, as it appears on page 8229, as follows:

Mr. Speaker, the report referred to by the hon. member is presently under consideration by the government.

● (2210)

Perhaps I might take a moment or two to indicate what that report was all about. All of us are familiar with it but it might be well to have its terms on the record briefly at this point. It is a report which was approved unanimously by the Standing Committee on Veterans Affairs. It was submitted to the House on Thursday, June 12. The report followed an extensive study of the Hermann report on the whole question of what we should be doing for Canadians who were prisoners of war in Europe, and also whether we should be improving the pensions of Canadians who were prisoners of war in Hong Kong.

We made four recommendations. The first was that there should be a new act of parliament to deal specifically with the case of former prisoners of war. Second, we proposed that the compensation arrangements to veterans who were prisoners of the Japanese should be improved. At the present time there is a 50 per cent pension guaranteed to anyone who was a prisoner of the Japanese, but anyone who already has an assessed disability pension does not receive it on top of that 50 per cent. Our recommendation is that the 50 per cent would be given everyone who was at Hong Kong and that any assessed disability pension should be on top of that 50 per cent, with a ceiling of 100 per cent on the total pension.

Our third recommendation is that there should be established scales of pensions for those who were prisoners of war in Europe. We arrived at a formula which suggested that in respect of incarceration up to one and one-half years it should be 10 per cent, in respect of incarceration for a period from one and one-half years to two and one-half years it should be 15 per cent, and in the case of incarceration for a period of two and one-half years or over it should be 20 per cent. An assessed disability pension would be on top of these percentages.

Our fourth recommendation was that a basic change should be made in the provision of pensions for widows of veterans. The general rule now is that unless a veteran's

disability pension is 50 per cent or more—and for a technical reason that is the same as 48 per cent—there is no survivor's pension as a right for the widow. We are recommending this be changed and that there be in effect a pro rata pension for the widow of any veteran on a disability pension.

I am not arguing the case for these four points tonight. I do not think this is necessary. I simply felt they should be part of what is on the record at this point. We think we did a good job in the committee. We heard many witnesses. We sorted all the evidence and tried to arrive at a compromise where there were differences.

One thing which pleases me is that the member of the committee who happened to move the motion which received the unanimous support of the committee, who then was a private member, is now a member of the cabinet. I refer to the hon. member for Sarnia-Lambton (Mr. Cullen), now Minister of National Revenue. I welcome the smile on the face of the Minister of Veterans Affairs (Mr. MacDonald) because in him he knows he has a supporter for this cause.

My plea to the minister tonight is a straightforward one. I do not stand here arguing with him. I believe he is just as anxious for this legislation as I am, but it is a matter of deep concern that so many months can go by before action is taken in respect of a matter of this kind. The Hermann report was dated 1973 although we did not receive it until 1974. The recommendation of the standing committee was made on June 12, 1975, and here we are almost at the end of October. These veterans, especially the Hong King veterans, literally die off because of their experience as prisoners of war. There were many who were prisoners of war in Europe who were encouraged by the report of our committee, but what they need is for the legislation to come into effect.

I am happy that the minister has been able to say to me on two occasions that the matter is before cabinet. I hope he knows that he has the support of the entire House, and if he cannot tell us tonight on what day cabinet will let him bring in the legislation, I hope he will be ready to give that answer the next time I put the question to him, because he knows that if he does not bring it in soon there certainly will be a next time for this same question.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, it is a pleasure to reply to the question of the hon. member for Winnipeg North Centre (Mr. Knowles) requesting a bill relating to Canadian prisoners or war in Europe and Hong Kong.

Hon. members will recall that the Standing Committee on Veterans Affairs at its meeting on June 22, 1972, requested that a study be undertaken to identify any physiological or psychological long term effects which their incarceration may have had on ex-prisoners of war of the European theatre, numbering approximately 7,500. The government accepted this recommendation and on January 31, 1973, the study was undertaken by Dr. J. Douglas Hermann, a distinguished Canadian surgeon. Dr. Hermann's report was received by the government and tabled in the House of Commons on Monday, November 18, 1974. It was subsequently referred to the standing committee for study on Wednesday, March 26, 1975, and the committee reported back to the House on Thursday, June 12, 1975.

In the meantime I have held consultations on this very important subject with my colleagues. At the present time this, along with other government proposals, must be examined carefully in the light of the recently announced guidelines. I would hope, as would other members of the House, that the request for compensation for ex-prisoners of war will not become a victim of our financial restrictions.

I hope to have something more definite to announce before too long.

CANADIAN NATIONAL RAILWAYS—TREATMENT OF EMPLOYEES TAKING FRENCH LANGUAGE TRAINING—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, on October 16 I directed a question to the Minister of Transport (Mr. Lang) with regard to the application of the Official Languages Act vis-à-vis CNR employees of the passenger sales department at Winnipeg and the unjust treatment they were receiving under the Official Languages Act, and also respecting the 1973 resolution which was to protect unilingual civil servants but which is offering no protection to them at all.

I have received a letter from the minister in which he says that as a result of changes in the transcontinental train schedule the hours of service to the public of the Winnipeg ticket and reservation offices were reduced. This resulted in a decrease in two counter and three telephone positions. The necessary advance notice was provided to the brotherhood in accordance with the existing arrangement on operation changes.

There is confusion here because the brotherhood has contacted the members of the CNR department in Winnipeg and they have told him they are not covered by the 1973 resolution which was passed in parliament. The spokesmen for the Canadian Brotherhood of Railway Workers state that CNR is in the throes of establishing six bilingual positions in Winnipeg, but so far they have designated only three.

The minister went on to say that as regards language rating only two ticket office personnel have completed the presently available French courses and they are considered bilingual for the positions they occupy. No employees who have taken any of the language training have been notified that they are bilingual, and if they had been designated bilingual it would not be necessary for CNR to hire bilingual persons off the street to take positions in this department, with job security, and to get all the overtime in the department. That is why this ridiculous document was passed in June of 1973, a document not worth the paper it is written on. It was never intended to protect unilingual civil servants at all. If the government had any intention of protecting them, it would have made this document part of the Official Languages Act, and made it law.

● (2220)

I would like to point out that I voted against the Official Languages Act. This is one of the reasons why we pointed out at the time that the federal government had no inten-

tion of protecting unilingual civil servants, and that is why I did not support it at that time, and I have been proven right to date.

The letter from the minister goes on to say that CN has had more than 10 years of a very strong language training program. If the CNR had a very strong language training program, it would be providing these employees with the 12 month training which is called for in the 1973 resolution, but it is not doing this.

The minister goes on to say that they will allow language training which allows for training as long as it is deemed necessary for the position in question and remains within the spirit and intent of the resolution referred to by me.

However, the CNR is not providing this 12 month training. It is hiring people off the street to take these bilingual positions. I would suggest to the parliamentary secretary that he give the message to the Minister of Transport that it would certainly improve employee relations, and departmental efficiency and morale, if CNR officials met with these employees. This has not been done. There has been no contact with them at all, and I suggest to the parliamentary secretary that the CNR officials have not provided the minister with the proper information. I would say that he has been sold a bill of goods. This letter I have been provided with is contradictory and does not cover any of the points I have raised.

One French person has just quit the CNR, and the CNR will not offer this position to any of the men in that department. This letter says that two of them are declared bilingual. Why will they not give them this position if two of the employees have been declared bilingual?

Further, five workers whose jobs were abolished last month were not given the opportunity to exercise their seniority over bilingual workers in the same department, and I should also like to point out that every one of these employees is willing to take this French language training. They want to take the 12 month training program so that they can hang on to their jobs.

There is absolutely no requirement for the French language to be used at all in the Winnipeg office. I am told by these employees that they would be better off if they were learning German, so whatever training they get is just an absolute waste of money, and the whole operation is just another farce and a sham.

These employees have had to find jobs elsewhere within the railroad. One girl had to take a job driving a truck because she was not allowed to stay in her department, and she wants to take this 12 month training course.

In 1973 the passenger service centre hired three French speaking workers. Railway officials assured other workers that the hirings would not affect their job security, but it is doing so. Up to two months ago they were telling us that everything would be all right. However, more lay-offs or job transfers are feared in the near future.

I hope the parliamentary secretary will ask the minister to get back to Mr. Bandeen, the president of CNR, just to find out what is going on in this particular department.

There were assurances from the Prime Minister (Mr. Trudeau) back in 1968. He stated that unilingual civil servants would be protected. He said that despite the extension of the bilingual system in the public service, protection would be given to unilingual civil servants. He said that achievement of federal bilingual plans must not involve any prejudice to the careers of civil servants who are not bilingual and who have devoted many years to the public service. This is not in effect in this passenger service department of the CNR in Winnipeg. I will point it out again, and I hope the parliamentary secretary will recommend to the Minister of Transport, that he should raise the issue in cabinet. If he is sincere in protecting unilingual civil servants he will have this resolution made law and become a part of the Official Languages Act.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, I am very interested in many of the comments of the hon. member but I regret that I must disagree pretty strongly with the tenor in which he delivered them. I do not think they convey an accurate assessment of the situation regarding CNR employees in Winnipeg, which I think requires some clarification.

As the hon. member mentioned, the minister has written to him in considerable detail on the points he raised in the House on other occasions. It must be made clear that there have in fact been no lay-offs in this particular department. As a result of changes in the transcontinental train schedule, the hours of service to the public of the Winnipeg ticket and reservation offices were reduced. This resulted in a decrease in two counter and three telephone positions. The necessary advance notice was provided the brotherhood in accordance with the existing arrangements on operational change. The incumbents involved in the staff reductions have since secured employment in other departments.

With reference to points raised by the hon. member on language training, the two ticket office personnel have completed the present available French courses. They are considered bilingual for the positions they occupy.

I was interested in the hon. member's assertion that these particular employees had not been officially advised of their status. I will certainly take notice of that and pursue it to see what is involved. The CN has had language training programs for over ten years. These programs allow for training for as long as is deemed necessary for the position in question, and remain within the spirit and intent of the resolution passed by parliament in June, 1973.

Finally, Madam Speaker, I think it would be useful to point out that CN has in fact established three positions above and beyond the union agreement which require fluent French. Only one of these positions is presently vacant and the employees in question in the sales department did not apply for it.

The Acting Speaker (Mrs. Morin): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, October 28, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

REGIONAL ECONOMIC EXPANSION

SUGGESTED REVIEW OF FEDERAL PROGRAMS WHICH MIGHT PREVENT FURTHER UNEMPLOYMENT IN ATLANTIC REGION—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the government's last program and under the provisions of Standing Order 43, I ask for the unanimous consent of the House on a matter of urgent and pressing necessity. In view of the earlier unwillingness of the Minister of Transport to prevent an escalation in railway freight rates as indicated by him on October 15, and in light of the remarks of the Minister of Finance on October 21 refusing to provide for flexibility or discretion in the reductions of federal expenditures in areas of large and growing unemployment, such as the Atlantic region, which in some instances is as high as 30 per cent, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House recommend that the Minister of Regional Economic Expansion be instructed to review and monitor all federal programs which might possibly be altered in order to prevent or even offset further unemployment in regions of persistently high unemployment during a period of national fiscal restraint.

Mr. Speaker: Under the provisions of Standing Order 43 this motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ADMINISTRATION OF JUSTICE

PROPOSED EARLY INTRODUCTION OF GUN CONTROL LEGISLATION—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the tragedies that have occurred, first, at Brampton and now at Ottawa involving the use of unrestricted weapons, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House direct the Minister of Justice and the Government House Leader

(1) to place a higher priority on the introduction of proposed gun law changes by introducing the proposed gun legislation to first reading by next week;

(2) to include in such legislation provisions for vicarious liability for gun owners who negligently allow their weapons to fall into unstable or criminal hands; and

(3) that special provision for security of storage of weapons be included in the bill.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*Translation*]

REQUEST FOR MEASURES TO CONTROL VIOLENT CRIME—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an urgent and important matter.

In view of the alarming increase in Canada of violence of all kinds and at every level, from the common assault to murder, especially among young people, as shown once again by the drama which occurred yesterday in Ottawa, as the result of which two teenagers were killed and several others were wounded, and since those conditions cannot be tolerated because they could reach alarming levels unless the government and the authorities give them special consideration, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House do now consider the serious problem of rising violence and criminality in our country, in order to fully identify the matter so that the government may take immediate action on it, with a knowledge of all the facts and taking into account recommendations from opposition parties to take as soon as possible remedial measures.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; therefore, the motion cannot be put.

[*English*]

HEALTH

SUGGESTED COMMITTEE STUDY OF MERCURY POISONING AMONG INDIANS—MOTION UNDER S.O. 43

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Recent medical evidence clearly indicates that mercury poisoning exists among native people, and epidemiological studies suggest that the problem could develop into epidemic proportions.

In view of the fact that the federal government has not demonstrated leadership in resolving the severe socio-economic problems associated with mercury poisoning, I move, seconded by the hon. member for Churchill (Mr. Smith):

That the matter of mercury poisoning vis-à-vis the native people be immediately referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLYMPIC GAMES

REQUEST FOR PUBLIC INQUIRY INTO ORGANIZATION AND IMPLEMENTATION OF GAMES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

My motion is based on the fact that the organization and implementation of plans for the 1976 Olympics are obviously out of control, as evidenced by the Solicitor General (Mr. Allmand), who does not even know the chief of security or what security costs will be; or the fact that Canadian manufacturers are being deprived of the opportunity to bid for major contracts; and on the fact that over-all costs now seem certain to exceed $1 billion notwithstanding the many direct and indirect federal government commitments.

I therefore move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the government order an immediate full scale public inquiry into the organization and implementation of the 1976 Olympics in order to reduce any further unnecessary expenditures and so that public confidence in these games can be restored and the games assured of the success Canadians wish them to be.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House before presentation of this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

CRIMINAL CODE

REASON FOR DELAY IN INTRODUCTION OF GUN CONTROL LEGISLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Solicitor General on the question of legislation concerning gun control. In so doing I do not wish to exaggerate the reduction of violent crimes or events which could be accomplished through gun control or to suggest that gun control would necessarily have avoided the tragedies of yesterday, but ministers expressed concern about existing legislation as long ago as January 17, 1973, when the former minister of justice said that the government had this under constant review.

I should like to ask the Solicitor General whether he can give the House any valid reason why the government has not long since presented to the House its views and its version of gun control legislation which should be adopted.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the government approved a series of measures with respect to gun control a short while ago, and the Minister of Justice and I discussed these measures just last Friday in Halifax with the attorneys general of the provinces. We wanted to get their reactions before proceeding further because much of the work of enforcement with respect to these laws would have to be carried out by the provinces. We now know the reactions of the attorneys general, and we will proceed to work further on these measures. We hope to announce these measures within a short period of time in the House and to introduce the bill soon afterwards.

POSSIBILITY THAT GUN CONTROL PROVISION WILL BE INCLUDED WITH OTHER AMENDMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Could the Solicitor General indicate whether the gun control legislation will deal with that and nothing else or is one of the reasons for the delay in presentation of legislation the government's desire to package gun control legislation along with a lot of other things and with something else in mind than simply getting gun control legislation through the House?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. It is likely, however, that the gun control legislation would be in an omnibus bill with other Criminal Code amendments—

Some hon. Members: Oh, oh!

Mr. Allmand: —but very unlikely with capital punishment.

Mr. Wagner: Great courage!

Mr. Allmand: So, Mr. Speaker, it is likely we would see it in an omnibus bill with other Criminal Code amend-

ments, such as was done the last time when the government tightened up on the gun control laws but it is unlikely that we would combine it with capital punishment.

Mr. Stanfield: A final supplementary, Mr. Speaker. I think the delay is inexcusable.

Some hon. Members: Hear, hear!

REQUEST FOR TABLING OF REPORT OF TASK FORCE ON GUN CONTROL

Hon. Robert L. Stanfield (Leader of the Opposition): It seems to me there is a great deal of confusion in the public mind as to what additional gun control legislation can accomplish. In view of this I should like to ask the Solicitor General whether he is prepared to table in the House the report resulting from the special committee of a task force in his own department that he commissioned?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, with respect to the delay, I should point out to the House that during the period I have been advocating tougher gun controls more opposition has come from the opposition party represented by the hon. member than any other party in the House. With respect to the report, Mr. Speaker, there is no formal report by the study group working within my department. They presented their views to me verbally and by a memorandum which went to cabinet as a cabinet memorandum.

REQUEST FOR DETAILS OF GUN CONTROL LEGISLATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in view of the minister's statement a few moments ago that he now has the approval of the attorney general, and particularly in view of the inadequacy of the answers given by his colleague the Minister of Justice to the right hon. member for Prince Albert on October 16 and to me on October 20 with respect to the stages through which the legislation had advanced, is the minister telling the House today that the legislation has in fact been drafted and the decisions made? If that is so, can the minister inform the House today what rules are going to apply with respect to gun control as to sale, ownership, possession and use of firearms? Is it not possible under the circumstances for him to inform the House that the legislation has been drafted and basically what it contains?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the legislation has not been drafted. I told the previous questioner that we presented the attorneys general with certain proposals—a series of proposals and got their reactions to these proposals. We will now make a revision of the proposals to a certain extent in view of what the attorneys general had to say, then announce the proposals and put them in the form of legislation. We hope this can be done this fall.

Mr. Baker (Grenville-Carleton): A final supplementary, Mr. Speaker. In view of the fact that this matter has been going on for some period of time—almost a year as the Leader of the Opposition has just said—and that the government's own statistics seem to indicate that violent crime has increased in the first quarter of 1975 over the same period in 1974 by 4.5 per cent nationally and 9.2 per cent in the province of Ontario, does the minister not think it is high time this legislation was ready? Does this government, which has the courage to control wages, not have the courage to control guns?

Some hon. Members: Hear, hear!

An hon. Member: Sick!

Mr. Allmand: Yes, Mr. Speaker. I think this is a very important matter and I have been pressing this House for several years to take action. I am now happy to see that the Conservative opposition will support us in stronger gun control.

● (1420)

POSSIBLE INCLUSION OF VICARIOUS LIABILITY SECTION IN GUN CONTROL LEGISLATION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Justice, who has responsibility for introducing changes to the Criminal Code concerning guns. In view of the delay in introducing the legislation, continuing problems in the community and tragedies such as those which occurred at Brampton, Ottawa and other places, will the minister at least inform the public by informing this House if, in the proposed legislation, there is to be included a vicarious liability section under which those who own guns will be responsible for keeping them out of the hands of unstable people or people with a criminal history.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think it is desirable for the Code to be amended in such a way as to create stricter criminal liability. Measures to establish stricter civil liability or to attach civil consequences to the ownership of guns lie largely within the purview of provincial governments and provincial negligence acts. So I answer, first, that I think it desirable to amend the appropriate sections of the Criminal Code in order to increase strict criminal liability for incidents resulting from gun ownership. Also, I think provincial governments should be urged to amend their laws relating to vicarious civil liability along the lines of their motor vehicle acts. These provisions would relate to the owners of guns.

Mr. Leggatt: A supplementary question, Mr. Speaker. I should still like a basic answer to my question. In a sense, the minister sidestepped it by dealing with the civil aspect. The minister, being a lawyer, knows that charges of criminal negligence can arise under the Criminal Code in relation to the question of security of storage of weapons and that when a violation occurs, when, because of inadequate security of storage an unstable person commits a crime or an act which causes harm to the public, a further penalty can be imposed. Basically, I ask the minister to direct his attention to this question: will the Code itself be amended, not the civil law but the criminal law, so that those who do not properly secure their weapons will be made responsible if those weapons are involved in crime or homicide.

Mr. Basford: Mr. Speaker, I regret that the hon. member misunderstood my answer. The answer to the first part of

the question is, yes. I think that it is desirable and possible to amend the Code in order to create stricter liability.

* * *

[*Translation*]

FINANCE

WINTER WORKS PROGRAM—REQUEST FOR STATEMENT ON PROGRESS—CONSULTATION WITH PROVINCES

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the hon. Minister of Finance.

In 1972 and 1973, there was a federal program called Winter Capital Projects Funds Program which, in co-operation with the provinces, aimed at helping municipalities fight against unemployment throughout the year and especially during winter. Could the Minister of Finance indicate today how things stand, whether there are any funds available from the Winter Capital Projects Funds and, if not, could the Minister assure the House that he will hold meetings or discussions with his provincial counterparts to revive this important program?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I shall inquire concerning the hon. member's question and reply later.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

INCREASE IN VIOLENT CRIME—POSSIBILITY OF STUDY TO DETERMINE CAUSE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Solicitor General? As the unfortunate incident which took place at Ottawa, yesterday, is somewhat similar to the earlier Brampton incident, may I ask the Solicitor General if his department is undertaking studies into the causes underlying the increases in rates of violent crime in Canada? According to Statistics Canada, during the first quarter of this year violent crime involving firearms and offensive weapons increased by more than 42 per cent. Has the minister's department conducted studies, to determine the cause and if, perhaps, the media may have some impact on the cause?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, yes, we are conducting studies into separate areas of violent crime and we are continuing with our work. As for the terrible crime which took place yesterday in Ottawa, we have been in touch with the Ottawa police and are awaiting the results of the coroner's inquest in order to obtain more information on the causes of that particular incident.

FINANCE

INCREASE IN MONEY SUPPLY—DATE OF COMMENCEMENT OF ACTION TO RESTRICT GROWTH AND AMOUNT OF RESTRICTION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. As the minister stated yesterday that an effort would be made to restrict the rate of increase of our money supply, will the minister indicate when this restrictive action will start, bearing in mind that we heard about restraint in the June 23 budget but that our money supply, since then, has been allowed to grow at the unbeliavable annual rate of 27 per cent.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I again remind the hon. member that he might be well advised to note the increase in interest rates announced by the governor of the Bank of Canada early in September, and the statements which accompanied the governor's decision at that time.

Mr. Stevens: Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the minister's statement, will he indicate why the government feels they can only make an effort to control the growth of the money supply? Who is in control? Who is at least responsible for the growth of our money system if it is not the government? Will the minister also indicate if the report in the morning press that by restricted money growth the government has in mind restricting it to the rate of our inflationary increase is true?

Mr. Macdonald (Rosedale): As I say, Mr. Speaker, the hon. member might do well to read the governor's statement in this regard. Under our system, the Bank of Canada can of course control the growth of our money supply over the longer period. It cannot under our system have an immediate impact on short-term swings.

ATTENDANCE OF CANADA AT RESTRICTED ECONOMIC SUMMIT MEETING IN FRANCE

Mr. Sinclair Stevens (York-Simcoe): Will the minister indicate if we have been invited to the restricted economic summit meeting in France in mid-November, bearing in mind that monetary questions are to be raised there. If not, will he explain why we have been snubbed when there will be nations in attendance that have less at stake than Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Department of External Affairs has been involved in those discussions. The hon. member might like to address his question to my colleague.

Mr. Stevens: Mr. Speaker, may I direct my supplementary question to the Secretary of State for External Affairs. Why have we been snubbed with respect to the restricted economic summit meeting in France in mid-November in that we believe that to date we have not received an invitation to attend?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the final decisions have not been taken with respect to attendance at the summit.

Canada has expressed, and is continuing to express, its interest. The hon. member will recall that Canada has received quite important public support for its presence from the President of the United States and the Secretary of State. We are still awaiting a decision that we hope will make it possible for us to attend.

* * *

CRIMINAL CODE

GOVERNMENT POSITION ON FREE VOTE ON CAPITAL PUNISHMENT BILL

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the government House leader which is supplementary to some questions asked earlier. In view of the interesting answer of the Solicitor General that it is highly unlikely that capital punishment will be tied to an omnibus bill, regardless of some of the answers given to questions last week which indicated the minister did not know, has there been a decision on whether the question of capital punishment will be decided by a free vote or will the whips lay it on?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, we have had some discussion on the matter. A final decision has not been taken. That will be announced when the legislation is presented.

Mr. Nowlan: Mr. Speaker, I thank the minister for part of that answer. Contrary to what the Solicitor General started to intimate earlier concerning the delay of this measure, and in view of the very real concern of the public about administration of justice—the question of capital punishment has been symbolic of administration of justice—can the House leader some time this week state in the House whether capital punishment will be separate from an omnibus criminal bill covering everything from slot machines to bail reform and gun control and so on and whether there will be a free vote. If we have to wait for the bill, there may be another parliament before any action is taken.

Mr. Sharp: Mr. Speaker, the time to make such an announcement is when the bill is presented to parliament, otherwise the hon. member may not know what I am talking about.

* * *

● (1430)

PARLIAMENT BUILDINGS

COST OF COMPUTERIZED CASH REGISTERS IN CAFETERIA

Mrs. Ursula Appolloni (York South): Mr. Speaker, may I direct my question to the President of the Treasury Board? Bearing in mind that the government is making every effort to cut its own costs while at the same time remaining conscious of the need to increase job opportunities, can the minister inform us of the actual cost of the computerized cash registers now installed in the cafeterias on Parliament Hill and, in human terms, the cost in job availability for stock room clerks?

Mr. Speaker: Order.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTED LACK OF EFFECTIVE PRICE CONTROLS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Since the principal weakness in the program the minister has brought forward to deal with inflation arises from the fact that while it controls wages and salaries no provision is made for effective control over prices, I should like to ask whether the government has given any further consideration to dealing with prices, either by following the example of the government of British Columbia and bringing in an immediate price freeze or by following the suggestion of the premier of Saskatchewan which would result in freezing the prices of certain key commodities and require subsequent notification and justification of any desire to increase the prices of those commodities?

Hon. Donald S. Macdonald (Minister of Finance): I might point out to the hon. gentleman that he is wrong in his preamble. I understand that in the case of many commodities, already there can be an effective requirement of advance notification and justification. The Chairman of the Anti-Inflation Board has already so signified to a number of firms.

With regard to the plan in British Columbia, it seems to me that the principal weakness of that proposal is that absolutely no mechanism has been provided in order to make certain that the declaration of a freeze will be carried out in practice. This seems to me to be a critical weakness in the proposal.

ANTI-INFLATION PROGRAM—FACTORS CONSIDERED IN CONTROLLING PRICE OF AUTOMOBILES

Mr. Edward Broadbent (Oshawa-Whitby): Without agreeing with the comments the minister has made on the British Columbia plan, may I point out that the minister did not deal with the Saskatchewan proposal in the course of his reply; perhaps he will do so when answering my second question. He indicated that the government would require some justification in advance in respect of certain proposals to increase prices. In reply to a question I put to him concerning automobiles in the course of the speech he made winding up the debate on Friday, he indicated that in this sector of the economy advance notification would be required.

May I ask what factors will be considered in terms of prices of automobiles, something which affects Canadian consumers to the extent of hundreds of millions of dollars annually? What criteria does the government intend to apply? Will it take into consideration simply its own guidelines in this respect or will it follow the urgings of the former minister of industry, trade and commerce and deal with the question of price parity in the industry,

comparing prices of cars produced and sold in Canada with prices of the same models sold in the United States?

Hon. Donald S. Macdonald (Minister of Finance): With regard to the Saskatchewan proposals, as soon as we receive copies from the government of Saskatchewan I shall be glad to consider them and see whether a comment is required. It would have been helpful in the cases of both British Columbia and Saskatchewan if the ministers from those provinces had given us some indication of their intentions in this regard when they met with me last week. We have sent an official to British Columbia to obtain information about their program, if we can. When we have it I will analyze it and be glad to comment. With regard to the pricing of automobiles, as with other commodities, the cost pass-through criterion will be used.

ANTI-INFLATION PROGRAM—REQUEST FOR LIST OF COMMODITIES ON WHICH JUSTIFICATION FOR PRICE INCREASE REQUIRED

Mr. Edward Broadbent (Oshawa-Whitby): Can the minister tell us if and when the government will be providing for the benefit of hon. members, and thus for the people of Canada, a list of commodities in addition to automobiles on which the government will be applying, if I understand him correctly, an effective price freeze until justification for future increases can be provided?

Hon. Donald S. Macdonald (Minister of Finance): That, of course, would be most wisely done by the Anti-Inflation Board. The question is one which could certainly be canvassed in the course of the committee hearings. But, of course, definitive action in this connection will not be possible until the bill receives Royal Assent.

[Translation]

ANTI-INFLATION PROGRAM—POWERS OF REVIEW BOARDS TO DEAL WITH UTILITY RATES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I want to put a question to the Minister of Finance about price control.

Mr. Speaker, may I thank my colleagues from all sides of the House for their warm welcome. Be assured I deeply appreciate it.

To come back to the Minister of Finance and to the price control policy, we were advised last week that Quebec Hydro wants to raise electricity rates by 25 per cent. Ontario Hydro, I believe, started to apply a 25 per cent increase yesterday, and the natural gas company is announcing a 30 per cent increase. Was the minister consulted by the provinces on that question and what action does he intend to take to protect consumers against those price rises?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am sure the applause indicates that all hon. members welcome, as I do, the hon. member back to the House, and that they are happy to see him hale and hearty.

[Mr. Broadbent.]

In reply to his question about Quebec, I would say that the government of that province has decided to have its provincial commission set the price of public utilities, such as electricity and gas, in the public sector. So, it is up to the Quebec commission to determine, as agreed, the proper level of cost increases for such services.

With regard to Ontario, if the government of that province decides to give the federal government of Canada and the federal board the responsibility for setting price rates for Ontario Hydro, then the Anti-Inflation Board is responsible. In that case, it must consider what costs Ontario Hydro has incurred during the past year.

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

Does not the commission which is supposed to be organized in Quebec consult with the Anti-Inflation Board before proceeding on an increase such as is now being asked in Quebec? Have we reached a point where there will be 10 different boards on price and wage control in Canada or will the national board have authority over the provincial boards?

Mr. Macdonald (Rosedale): Mr. Speaker, I agree with the hon. member. We prefer a single federal board to control both public and private sectors. But we have recognized that there are provinces, like Quebec and perhaps others, which would rather have their own board to control the public sector and Quebec indicated its preference in this regard.

We hope, however, that there will be close contact between the Quebec board and the boards of the other provinces and the federal board.

* * *

[English]

INQUIRY OF THE MINISTRY

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary to the Minister of Finance relating to a previous question—I wonder whether the hon. gentleman has the information I require. Has he knowledge as to when the New Democratic Party acquired its enthusiastic support for a general price freeze as opposed to the stand it took during the last election?

Some hon. Members: Oh, oh!

Hon. Donald S. Macdonald (Minister of Finance): I have some detailed quotations from Mr. David Lewis in this regard but in my new conformation as a non-partisan statesman I shall not be able to give them here in the House.

Some hon. Members: Oh, oh!

INCOME TAX

REQUEST FOR PROVISION TO PREVENT TRANSFER OF FUNDS TO FOREIGN COUNTRIES TO ESCAPE PAYMENT OF TAX

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Minister of National Revenue whom I should like to congratulate on his appointment.

Some hon. Members: Hear, hear!

Mr. Crouse: At the present time it is possible to strip the surpluses of companies and transfer those assets to other countries without paying corporate income tax on the funds. Since some $4.2 million owing by six taxpayers have been written off since 1972 because the men concerned are no longer resident in Canada, would the minister take this fact under consideration and advise the House whether he and his staff are considering the early introduction of legislation to put a stop to this particular practice?

● (1440)

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, may I thank the hon. member for his good wishes. I would say to the non-partisan statesman holding the office of Minister of Finance that, given the tools, we will finish the job. We do not bring in the legislation, we simply administer it; but most assuredly we are working in close consort with finance on that particular problem.

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POST OFFICE

ARRANGEMENTS FOR DELIVERY OF SAVINGS BOND DIVIDEND CHEQUES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Postmaster General I direct my question to the Minister of Finance. Has provision been made in the postal contingency plan for delivery of registered Canada savings bonds dividend cheques which are due on November 1, in three days, to 450,000 trusting citizens of Canada? Many senior citizens are dependent on these cheques to supplement their meager pensions, and I should like to know whether arrangements have been made for delivery.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, as acting Minister of Finance, I shall take note of the question and inform the Minister of Finance.

* * *

[*English*]

AIR TRANSPORT

CHANGES IN REGULATIONS GOVERNING NON-COMMERCIAL FLIGHTS IN THE ARCTIC

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Transport and it follows on his answer to a question from the hon. member for Northwest Territories yesterday concerning the report on the Panarctic air crash. In his reply the minister suggested some sort of satisfaction with the report, though there seems to me little room for satisfaction in that department. Considering the serious nature of the comments regarding inadequate safety measures and checks on flights to the Arctic contained in the report, would the minister enlighten the House as to exactly what steps have been taken to tighten up regulations concerning these flights? Are these to await the inquest or are they in place now; and have some changes been made?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not think it quite fair of the hon. member to twist words in that fashion. I indicated that what I was satisfied with was that we had, from the point of view of the Department of Transport, the information that we needed as a result of the investigation. I wish the hon. member would restrict himself to the words that were used. I had indicated as well that the Department of Transport some months ago formulated potential changes to the regulations to further control the private air sector; that is to say, the non-commercial sector. These draft proposals have been in the hands of the persons affected for some time and their comments are to be back in our hands by the middle of next month, at which time we will begin the drafting of the regulations.

MEASURES TO PREVENT OBSTRUCTION OF INQUESTS INTO ACCIDENTS

Mr. Howard Johnston (Okanagan-Kootenay): A supplementary question, Mr. Speaker. The minister suggested a day or two ago that there would be legislative changes to bring forward the independent accident investigation commission. At the same time is the minister, or his colleague in justice, considering changes that would prevent the kind of delay and obstruction in an inquest that was cited in the Northwest Territories? Will there be legislation that will permit the inquest there to subpoena witnesses from any part of Canada or from outside the country?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I can answer only in relation to the legislation referred to. We do have plans, as I indicated to the hon. member previously, to bring forward legislation to set up an independent accident investigation and examination board.

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AIR CANADA

REQUEST FOR INQUIRY INTO FIRE ON FLIGHT 211 FROM HALIFAX AND ENGINE EXPLOSION ON L-1011

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is directed to the Minister of Transport. Has the minister ordered a complete and full inquiry into the circumstances pertaining to the fire on Air Canada flight 211 departing Halifax at 8.50 a.m. on October 18 with 97 passengers aboard, and also the L-1011 engine explosion during take-off at Toronto airport on October 22?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will have to check into those two cases and see where they stand.

Oral Questions

[*Translation*]

OLYMPIC GAMES

INQUIRY WHETHER MINT OFFERED CONTRACT TO ISSUE MEDALLIONS

Mr. Gaston Isabelle (Hull): Mr. Speaker, I wish to direct my question to the Minister of Supply and Services.

Has COJO contacted the Canadian Mint to have a medallion struck in commemoration of the 1976 Olympics before granting a contract to a company operating in Switzerland?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the Royal Canadian Mint has received no request from COJO and surely if it did, it would investigate all possibilities of designing such a medallion in Canada. At any rate I am sure Canadian industry would be very pleased to have the opportunity to participate in the manufacture of a medallion to celebrate the Olympics.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

GOVERNMENT ACTION TO ESTABLISH STEEL MAKING COMPLEX IN CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In light of the fact that many, many months have gone by since the Canstel report was commissioned and tabled, can the minister advise what steps his department and the government are taking to bring the proposed new steel complex to Cape Breton Island?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I cannot report to the hon. gentleman specific progress regarding the report of Canstel, but as he knows we have engaged in a study of the location. We will have to wait for a further report before we can decide on any course of action.

Mr. Muir: A supplementary question, Mr. Speaker. In light of the fact that the Liberal candidate in my riding during the last election said that this steel complex was coming to Cape Breton Island, and in view of the fact that a cabinet minister intimated the same thing, would the minister now advise me what meetings he has scheduled with Premier Regan of Nova Scotia and what cooperation he is getting from Premier Regan with regard to the proposed complex, or is Mr. Regan still having pipedreams in between his overseas travels?

[*Translation*]

Mr. Lessard: Mr. Speaker, I can tell the hon. member that if personal commitments were made by condidates at the time of an election, they were certainly not binding up on the government as such. But with regard to our negotiations with the government of Nova Scotia, I can report that they are still under way, and although I do not think I will meet Premier Regan within the next few days, I will surely have the opportunity to meet with him on this subject within the next few months.

[Mr. Lang.]

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST OF UNITED MINE WORKERS FOR INVESTIGATION OF MANAGEMENT OF CORPORATION—GOVERNMENT POSITION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Acting Prime Minister. Late this summer or early fall the Prime Minister had a request from one of the locals of the United Mine Workers in Cape Breton, after a fire in a coal mine temporarily took away many jobs, for an investigation by the government of the top management division of the Cape Breton Development Corporation. This request also came from the district 26 executive of the United Mine Workers. Would the Acting Prime Minister please inform me and the House whether the government has definitely turned down this request once and for all?

Hon. Mitchell Sharp (Acting Prime Minister): As far as I know, Mr. Speaker, the answer to the question is no, no such request has been definitely turned down. As my hon. friend knows, the Minister of Labour continues to have a close interest in the safety of mines.

Mr. Hogan: A supplementary question, Mr. Speaker, which I will direct to the Minister of Regional Economic Expansion. In view of the Acting Prime Minister's reply—he does not seem to know that the Prime Minister has received a telegram saying there was going to be—

Some hon. Members: Question.

Mr. Hogan: Given the evident frustration expressed by the union in its request, would the minister consider, given his responsibility as the one in charge of reporting to parliament for the Cape Breton Development Corporation, trying to bring together in a closed meeting the executive of district 26 of the United Mine Workers Union and each president of the four mine locals in the Cape Breton area with DEVCO's top coal management in an all day session that will include detailed investigation and discussion of the district executive office's charges, so as to bring closer co-operation in this industry at a very crucial time in the history of Cape Breton and Nova Scotia?

● (1450)

Mr. Speaker: Order, order.

An hon. Member: Sit down.

Mr. Speaker: Order, please. The question of the hon. member is pretty close to being totally out of order up until this point, but the minister might like to give some sort of reply.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can say one thing. I believe the government, and indeed I, as the minister, have full confidence in the officials at DEVCO down in Cape Breton. As to the specific request, I can say I look forward to meeting with these people if such a meeting can be arranged. This may not be in the immediate months ahead, but I will be looking forward to going to Cape Breton and meeting with

these people with a view to finding the best solution to the difficulties we have been facing. The accident happened in June, with the closing of one colliery, Number 26, after the fire occurred.

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TRANSPORT

AWARENESS OF SNAULEY COMMISSION OF MINISTER'S POSITION ON CROWSNEST PASS RATES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the Snauley Commission investigating transportation costs and rates on the prairies been advised of the government's position as stated Sunday on the CTV program "Question Period", namely, that the government is prepared to subsidize the railways over and above the revenue now received from the Crowsnest Pass rates.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will try to get the transcript of the program for the hon. member so that he will have exactly what I said. I do not know whether the commission received any word of that. Maybe they got an accurate version if they listened to the program.

Mr. Horner: Mr. Speaker, I appreciate the assistance of the minister in offering to get the transcript. I heard the program, but I will read the transcript when I have it. Are we to believe that the Snauley Commission will not be investigating the Crowsnest Pass rates as to whether or not they are revenue producing and to the extent that they cover the variable costs of the railways.

Mr. Lang: Mr. Speaker, I will try to help the hon. member a little more by indicating what I think I said. The philosophy of the MacPherson Commission, which he may or may not agree with, would have supported those payments and I know he was in the House when he stopped those payments becoming a possibility in 1967, which was a very serious mistake. However, the scope of the investigation of the Snauley Commission is rather specifically into the cost of moving grain. The Crowsnest Pass rates are, of course, on the revenue side and may be used in comparison, but the specific terms of reference relate to the cost of moving grain.

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[*Translation*]

ADMINISTRATION OF JUSTICE

ALLEGED FRAUD IN CONNECTION WITH MIRABEL CONTRACTS—REQUEST FOR STATEMENT BY MINISTER

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to ask the Solicitor General a question.

Yesterday, my colleague from Central Nova asked the Minister of Transport a question on an alleged fraud related to the Mirabel project, and the minister replied that those allegations were without any foundation. Immediately after that, the Solicitor General was confirming to a Montreal daily that an inquiry was set up regarding allegations of a fraud amounting to $60 million. In the light of this confirmation by the Solicitor General, is he able to tell much more concrete things than his colleague the Minister of Transport? Is he prepared to make a statement on this matter and when will he make such a statement?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I did not say there was an inquiry into those matters. I said that the allegations had been transmitted to the RCMP and that at the present time they were evaluating the allegations. If they found there was sufficient substance to the allegations they would undertake an investigation, but there is no investigation at the present time.

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POST OFFICE

STRIKE OF INSIDE WORKERS—GOVERNMENT'S POSITION ON BACK TO WORK LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Acting Prime Minister. Yesterday the Acting Prime Minister told the House that the government had not decided on the length of time the postal strike would be allowed to continue before back-to-work legislation would be introduced. In view of the fact that negotiations have broken off and recommenced again since that answer was given, I should like now to ask what consideration has been given by the government to any measures to restore the postal service which is so vital to all Canadians or is it the government's policy that postal service will not be restored before the labour dispute is settled.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is the government's view that the postal workers should resume work when the settlement is reached. I am sure the hon. member agrees with that. These negotiations are under way now, and I do not think I should say anything that would interfere with their success.

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REGIONAL ECONOMIC EXPANSION

SUGGESTED ASSESSMENT OF IMPACT OF REDUCED FEDERAL EXPENDITURES ON UNEMPLOYMENT IN ATLANTIC REGION—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. I should like to ask him a question following the motion I presented today. Has he been asked by his colleagues in cabinet to monitor any alteration in federal expenditures or programs which would have a negative impact on programs of regional development administered by his department or over which his department might have an interest and responsibility.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am not aware of such a request having been made to my department.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether the minister could indicate if his officials have

made any assessment of the impact of any potential reductions or alterations in federal programs or expenditures, particularly as they might affect areas of chronic high unemployment such as the Atlantic provinces.

[*Translation*]

Mr. Lessard: Mr. Speaker, the implications of the department activities are always regularly analysed by the officers to correct the shortcomings, if need be, and to improve the program. It is a permanent process with the department: it has been done six months or a year ago, and I think it is worth maintaining it.

* * *

[*English*]

OLYMPIC GAMES

LIMITATION OF CONSTRUCTION CONTRACTS TO QUEBEC COMPANIES—GOVERNMENT ACTION TO ELIMINATE DISCRIMINATION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Acting Prime Minister and Government House Leader. It deals with reports that only firms having their head offices in the province of Quebec are allowed to bid on construction contracts at the Olympic site in Montreal. I should like to ask the Acting Prime Minister if he plans any action to ensure that this discrimination against other Canadian contractors is removed immediately.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government does not have administrative responsibility for the Olympic projects.

* * *

[*Translation*]

URBAN AFFAIRS

DEVELOPMENT OF OLD PORT OF MONTREAL—REASONS FOR CONTINUING TO FILL RIVER AROUND VICTORIA AND JACQUES-CARTIER QUAYS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

Can he inform the House whether or not he has recently met with the representatives of the city of Montreal to follow up the development project of the old port of Montreal, and if so, why the filling work of the river between Victoria and Jacques-Cartier quays could not be stopped, as requested by the Minister of Indian Affairs?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I did meet with the mayor of Montreal, Mr. Lamarre and other officials and with other officials from the federal government to talk about the entire question of redevelopment of the urban area of old Montreal. We are in discussion with the Minister of Indian Affairs and Northern Development but I also believe there is a very intense involvement by the National Harbours Board. Their intention is the preservation of that area to open it up for the residents of Montreal because it is a very valuable historic asset for Canada. We have just had a study done by a firm of planners which is being studied by my officials and it is one I am following very closely. I met with Mayor Drapeau a week ago yesterday and he continues to take an interest in the development of this area. We are working very closely with him. However, I will have to check specifically on some aspects of this which I understand are causing some concern to Montreal.

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PENITENTIARIES

PROPOSED ESTABLISHMENT OF INSTITUTIONS IN DISTRICT OF STURGEON IN ALBERTA—REQUEST FOR RECONSIDERATION

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a short question and a short supplementary for the Solicitor General. It is in respect of the proposed medium and maximum security institutions, a staff training college and rifle range in the municipal district of Sturgeon in Alberta. In view of the fact that the residents of this area are already over-burdened with numerous rehabilitation centres and are strongly opposed to these being situated in the proposed area mainly because the area is only one-quarter of a mile from the school and is to occupy 328 acres of prime agricultural land, would the minister please bring the House up to date concerning what conclusion his department has reached about establishing this institution in this location.

● (1500)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, before we picked that particular site we consulted the government of Alberta and the local authorities and they gave their approval in principle. Since that time, however, there has been some objection and we have decided to have further discussions with the people in the area. We will await the outcome of these discussions.

Mr. Elzinga: Mr. Speaker, my supplementary question is directed to the same minister. Has the minister's department given any consideration to moving the site somewhat to the north and east to more marginal land, and in view of the fact that the department's first proposal did not include a maximum security institution and rifle range, and originally was to occupy only 160 acres instead of 320 acres, is the department planning to hold hearings again? Would the minister also be so kind as to instruct his officials to keep the member of parliament concerned informed of the department's intention?

Mr. Allmand: As I mentioned in my last answer, we will have further discussions with the people in the area, and I believe they will be held at a public meeting. In addition, I do not think we would want to pick any particular site, whether north, east or south, without consulting with the provincial government because the provincial government had given us the authority to proceed on the site which was picked, but we will consult with them further and with the people in the area and I will be pleased to meet with the hon. member and give him more information.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION POLICY

Second report of Special Joint Committee on Immigration Policy—Mr. O'Connell.

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[*Translation*]

NORBANQUE

REFERENCE OF PETITION TO INCORPORATE COMPANY TO COMMITTEE ON MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, seconded by the hon. member for Gatineau (Mr. Clermont) I move:

That, pursuant to the provisions of Standing Order 99, the petition seeking the incorporation of Northland Bank, filed after the time limit specified under Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the Fourteenth Report of the Clerk of Petitions thereon, presented to the House on Monday October 27, 1975, for any recommendations the Committee deems advisable.

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

Some hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,233, 1,442, 1,684, 1,686, 1,687, 2,031, 2,120, 2,328, 2,503, a corrected question, 2,983, 2,990, 3,140, 3,160, 3,175, 3,215, 3,216, 3,236, 3,266, 3,268 and 3,272.

[*Text*]

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 1,233—**Mr. Cossitt:**

1. (a) What are the names and addresses of all persons or organizations who have approached anyone in government, including the Prime Minister, concerning the donating, constructing or in any way whatsoever supplying a swimming pool at 24 Sussex Drive (b) on what specific dates were such approaches made (c) in each case, to what specific person were they made?

2. (a) What is the estimated total cost involved in construction of the swimming pool at 24 Sussex Drive, including all items of construction or alterations made necessary as a result of such an addition (b) what portion of these costs is being paid by (i) the taxpayers (ii) private donors?

Order Paper Questions

3. What are the names and addresses of all private donors involved in this project, including exact amounts donated, pledged, or promised in each case?

4. Was any examination conducted by the government into the identity, business connections, political connections, etc. of all persons involved with this project and (a) if so, on what date and what are the full details (b) if not, for what reason?

5. (a) What are the names and addresses of all designers, architects, interior decorators, contractors, etc. involved in this project (b) in each case, specifically by whom were they chosen and/or recommended (c) were any tenders called and (i) if so, on what dates, by what public advertisements and what are the names and amounts of all tenders received (ii) if not, what are all the reasons?

6. (a) What is the identity and job designation of the highest government authority accepting full or partial donation of the swimming pool (b) on what date was acceptance finalized (c) what is the name and address of the person to whom acceptance was communicated on behalf of the government?

7. (a) What are full details of the Prime Minister's involvement in this enterprise including any involvement on his behalf by members of his family or personal staff (b) on what date did the Prime Minister first become aware of the proposed project and by whom was he approached or informed (c) who are all persons that he has dealt with directly or indirectly in regard to the project (d) what are the details of the Prime Minister's part in all decisions pertaining to this project?

8. What are all reasons that the government and/or the Prime Minister did not from the outset make full disclosure of details pertaining to this project in order to establish clearly that no improprieties or conflict of interest factors are involved?

Hon. Mitchell Sharp (President of the Privy Council): In 1974, after carefully considering the factors, the Prime Minister agreed to accept from a representative group of Canadians the gift of a swimming pool for the official residence at 24 Sussex Drive. In Canada as in most other countries, the making of donations to the state is a common practice and many public buildings have been built as a result of this tradition. The group of donors was concerned that the Prime Minister and his successors have ready access to adequate physical fitness facilities without being confronted with the obvious security and privacy difficulties. The Prime Minister agreed to be one of the contributors. He also chose not to ask for the names of the other contributors, except for their trustee, Dr. W. H. Fader, of 395 Brooks Street, Toronto, lest he be influenced or give the appearance of being influenced by them. The donations, if a properly documented tax return is filed, entitle the contributors to the deductions provided for under Section 110(1)(b) of the Income Tax Act. Given statutory provisions extant which ensure confidentiality of income tax returns, the government is not in a position to disclose the names of the contributors. The service of Herbert Brune Construction of Ottawa was engaged by the trustee for the donors to install the swimming pool at the official residence. As the costs incurred by that firm have been assumed by private donors, they are not of government record. Since these proposed fitness facilities were to be built on crown-owned land, the Department of Public Works assigned one of its architects to design the pool and related facilities subject to conformity with requirements of the National Capital Commission and the latter's approval at various stages of progress of work. Design costs incurred by the Department of Public Works are the responsibility of the government and are covered by vote 10. As to the operational costs of the facilities, (and related expenditures by departments concerned), they will be included in the overall cost of the administra-

tion of the Prime Minister's residence under the relevant statutory provisions and will therefore, in the usual way, be open to the scrutiny of parliament. To confirm or complement the above statement, see, *inter alia*, the following: House of Commons Debate for February 5, 1975, page 2933; March 26, 1975, page 4505 and May 22, page 6009. Answer to questions Nos. 1323; 2211, 2525; 2691; 2692; 2961 and 2964. Report of the Standing Committee on Miscellaneous Estimates for May 12, 1975, pages 33:31; 33:32; 33:33; and May 20, 1975, pages 36:37 and 36:38.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 1,442—**Mr. Jones:**

1. Who prepared the plans and specifications for the erection, installation and construction of a swimming pool and allied facilities on the lands adjacent to the Prime Minister's residence at 24 Sussex Drive, Ottawa?

2. Who authorized and approved the preparation of such plans and specifications and what is the estimated cost?

3. Were public tenders called for the construction of the swimming pool and allied facilities and, if so (a) on what date (b) who were the tenderers (c) what was the tenderer's price?

4. What firm, or firms, is erecting, constructing and installing the swimming pool and allied facilities?

5. What are (a) the detailed costs of the preparation of the plans and specifications (b) the administration costs (c) the costs of equipment (d) the costs of supply, construction, erection and installation of the swimming pool and allied facilities?

6. What do the allied facilities include?

7. What are the estimated costs of administration and operation of the swimming pool and allied facilities?

8. Has consideration been given to suspending the erection, installation and construction of the swimming pool and allied facilities and diverting the monies proposed to be expended thereon to help communities such as the City of Moncton in the erection and construction of an Olympic size swimming pool?

9. Has the Prime Minister ever considered volunteering to act as Chairman of a Fund Raising Campaign to raise funds for the erection, installation and construction of an Olympic size swimming pool for the City of Moncton?

10. What contributions, from whom and for what amount, have been received or pledged from private sources towards the total cost of the swimming pool and allied facilities?

11. (a) Are any of such contributions deductible for income tax purposes and, if so (i) what amount (ii) under what statute (iii) what are the names and addresses of such donors (b) have any contributions or donations been made by any political party, association or organization and, if so, from whom and in what amount?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 1,233.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 1,684—**Mr. Cossitt:**

1. Did the Department of Public Works or any government authority award a contract in connection with swimming pool construction at the Prime Minister's residence, 24 Sussex Drive to Herbert Brune Construction Limited, 141-A Bentley Avenue, Ottawa (a) was the contract in the amount of $180,000 (b) on what date and by whom was the contract awarded (c) were tenders called and (i) if not, for what reason (ii) if so, was this done by public advertisements and what were the names of all those tendering along with the amounts of such tenders?

2. What is a full description of the work to be done under this contract and what percentage of the total cost of the swimming pool and all appurtenances thereto is represented by this contract?

[Mr. Sharp.]

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 1,233.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 1,686—**Mr. Cossitt:**

What is a full and detailed description of any involvement whatsoever with the swimming pool at the Prime Minister's residence, 24 Sussex Drive, by the Department of Energy, Mines and Resources (a) specifically, has the Surveys and Mapping Unit of the Department been involved and what are absolutely all details in this regard (b) were surveys, including aerial surveys, made of 24 Sussex Drive and, if so (i) on what date (ii) at whose request (iii) on whose orders (c) what is the total amount of public funds in any way spent by the involvement of this Department?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 1,233.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 1,687—**Mr. Cossitt:**

1. What is a full and detailed description of any involvement whatsoever with the swimming pool at the Prime Minister's residence, 24 Sussex Drive, by Central Mortgage and Housing Corporation?

2. What are all connections, if any, directly or indirectly, that William Teron, President of Central Mortgage and Housing Corporation has had with this matter including dates, persons dealt with, etc.?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 1,233.

STATISTICS CANADA REPORTS

Question No. 2,031—**Mr. Kaplan:**

Did Statistics Canada carry out analyses for any of its statistical reports to determine (a) the time delay between the period covered and the date of the report (b) the length of delays which are acceptable to users of particular statistics (c) whether any of the reports are too late to be of significant use and, if so, what are the results, if any, of such analyses?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that, although it has not been satisfied with the timeliness of certain publications in the past, the data has not been rendered unusable by reason of delay in publication. Statistics Canada endeavours to satisfy users' data needs as quickly as possible, and it should be noted that publication release dates are not truly indicative of the service that is provided. For many statistical series, as soon as data becomes available, notice of that availability is announced in service bulletins; the Statistics Canada Daily (Cat. No. 11-001E) or Informat (Cat. No. 11-002). Many users are subsequently provided with the specific information they require without having to wait for the complete publication. Wherever possible, advance statistics and preliminary figures are also published. In addition there is a continuous effort to improve the timing of both data collection and production, without risking the reliability of the statistical product, and improvements in release dates of many publications reflect the results of these efforts.

WAR MEASURES ACT

Question No. 2,120—**Mr. Cossitt:**

1. Did the Prime Minister make certain remarks concerning the War Measures Act in a press interview recently in London, England and, did he state that it was the government's intention to replace the Act with new legislation which might include special provisions in the Criminal Code?

2. (a) What are the full details of government policy on this matter (b) when will changes be proposed to Parliament (c) what will be the nature of such changes?

3. Will any changes proposed include safeguards against government infringement on civil liberties and will they include safeguards to prevent any government acting in a panic or for political purposes?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes, in the following terms: Question: Mr. Trudeau, in Bonn your visit coincided with the Berlin kidnapping and you told us that the senior German leaders had remarked to you their approval and complimentary views of the way you had handled the Cross and Laporte kidnapping in 1970. Then, in the Chalfont interview the other night, you gave a long account of the democratic principles implicit in your government's actions. Do I take it from the things that you didn't say in connection with this that you now believe that the Canadian government must retain the range of powers in the War Measures Act and you've given up all intentions of legislating a less thorough Act for emergency powers? Answer: No, not at all. I think our policy would be still to have an act which would be of considerably less scope than the War Measures Act, which could be invoked in certain cases of emergency, well short of war, and which would perhaps be incorporated in special provisions of the Criminal Code, to be brought into effect by declaration, debatable in parliament and so on. The kind of idea we were putting to parliament after the revocation or the end of the special measure which then followed the War Measures Act back at the end of '70 and beginning of '71. This is still a preferable step that I personally believe in. Question: When? Answer: When we have parliamentary time; when we find that there is a general agreement amongst the opposition that this is a better way of proceeding; when we have general support amongst the pundits of the press to urge us to go in this direction; when the rationality of our approach has been accepted by those who have sometimes voiced excessive opinions on the subject in the past.

2 and 3. See answer to (1) above.

MR. MICHAEL PITFIELD'S TRIP TO LONDON, PARIS AND BRUSSELS

Question No. 2,328—**Mr. Cossitt:**

1. What was the total cost to taxpayers of Mr. Michael Pitfield's trip to London, Paris and Brussels for a period of thirty-six days from business?

2. What is the name of the person who authorized Mr. Pitfield to make this trip?

3. What are all ways in which taxpayers have benefitted from this expenditure of public funds?

Hon. Mitchell Sharp (President of the Privy Council):
1. $1,890.13.

2. His deputy head under relevant provisions of the Financial Administration Act.

3. This question is too vague to be answered. (See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171(b)).

MORTGAGE DEBT ON HOME OWNER DWELLINGS

Question No. 2,503—**Mr. Caouette (Témiscamingue):** (Corrected)

1. What was the total debt incurred by Canadians by way of mortgages on their dwellings as of December 31 (a) 1950 (b) 1960 (c) 1965 (d) 1970 (e) 1972 (f) 1974?

2. What percentage of such debts was incurred with (a) chartered banks (b) trust companies (c) Central Mortgage and Housing Corporation?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that the data submitted in response to this question, and printed in *Hansard* on July 8, 1975, (page 7350), are to be revised in accordance with the table attached:

Mortgage Debt Outstanding (1) on Homeowner Dwellings, Canada 1950–1974

		Per Cent Distribution				
Year (2)	Amount $ Million	Chartered Banks	Trust Companies	Life Insurance Companies	Others	CMHC
1950	1,000	**	**	**	**	**
1960	1,700	20.7	5.8	44.3	5.8	23.4
1965	7,500	10.8	12.2	35.6	21.4	20.0
1970	12,000	8.2	16.1	25.2	34.7	15.8
1972	20,000	11.8	15.8	13.7	47.7	11.0
1974	27,000	16.4	22.3	10.2	41.5	9.6

**Not available.

(1) Estimated.

(2) As at December 31.

Revised October 1975.

THE PRACTICE OF HIRING OUTSIDE CONSULTANTS

Question No. 2,983—**Mr. Clark (Rocky Mountain):**

What are the (a) guidelines (b) regulations determining the practice of hiring outside consultants for the Privy Council Office and the Prime Minister's Office?

Hon. Mitchell Sharp (President of the Privy Council): Subject to provisions of the Financial Administration Act, consultants are selected and the terms and duration of their contract are determined by their qualifications and specific requirements of the two offices concerned, that cannot be met by existing staff and which are of such nature that the hiring of permanent staff would not be justified.

Order Paper Questions

ONTARIO SALES TAX REBATE ON AUTOMOBILES

Question No. 2,990—**Mr. Herbert:**

Is any action contemplated to stop the contravention of the General Agreement on Tariffs and Trade by the Government of Ontario in giving a cash rebate of provincial sales tax on new cars built in North America and, if so, what form will it take?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Federal-provincial discussions focussed on the international implications of the tax rebate. At one point the Prime Minister was in direct contact with Premier Davis. The issue was satisfactorily resolved when eligibility for the rebate of the 5 per cent Ontario provincial retail sales tax on automobiles was extended retroactively to automobiles produced outside North America.

MR. N. D. DIXON, SMITHS FALLS

Question No. 3,140—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,232 which stated in part that a lawyer named Mr. N. D. Dixon of Smiths Falls, Ontario, received $15,585.53 from the government for legal services in 1974-75 (a) is the government aware whether this is the same Mr. N. D. Dixon who became President of the Leeds Liberal Association in 1972 following the resignation of the President and seventeen members of that Association's Executive (b) did the Minister of Finance attend later in 1972 a Liberal Party meeting in the Town of Gananoque in the Constituency of Leeds and, if so (i) on what date (ii) is the government aware whether this meeting installed Mr. Dixon as President of the Leeds Liberal Association (c) did the Prime Minister or anyone acting on his behalf or anyone else in government or anyone acting on behalf of the government have any part in arranging with Mr. Dixon to take on the Presidency of the Leeds Liberal Association at that time and, if so (i) what are all details of such arrangements (ii) by whom were they made?

2. Is the government aware (a) that Mr. Dixon was President of the Leeds Liberal Association during the election of October 31, 1972 (b) if he is still a member of the Executive of the Leeds Liberal Association?

3. (a) What is a detailed description of the legal work done by Mr. Dixon for the government (b) what are the names and addresses of all persons involved in any way whatsoever with this work including job designations of any who are government employees?

Hon. Mitchell Sharp (President of the Privy Council): 1 and 2. The subject matter of this question does not fall within the administrative responsibility of the government of Canada.

3. The information will be communicated at a later date to the hon. member.

FOOD PRICES REVIEW BOARD

Question No. 3,160—**Mr. Reynolds:**

1. What was the budget of the Food Prices Review Board in (a) 1973 (b) 1974?

2. How many persons were employed in (a) 1973 (b) 1974?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. (a) 1973-74, $977,500; (b) 1974-75, $1,880,000.

2. (a) 1973-74, (Man-Years utilized) 27; (b) 1974-75 (Man-Years utilized) 58.5.

NOTE: The Food Prices Review Board was appointed by Order-in-Council May 25, 1973.

[Mr. Sharp.]

"SWEET MOVIE"

Question No. 3,175—**Mr. Bawden:**

1. Was the Canadian Film Development Corporation satisfied that its objectives were met in the funds that it provided for "Sweet Movie"?

2. Is it the intention of the CFDC to investigate further the intentions of producers to determine in advance whether movies to be supported will in fact be pornographic?

3. In future, will the Corporation be financially supporting pornographic productions or producers who normally produce such movies?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(d).

OLYMPIC LOTTERY

Question No. 3,215—**Mr. Whittaker:**

What is the breakdown by province on the number of people who have won prizes in the Olympic lottery?

Hon. Mitchell Sharp (President of the Privy Council): The subject matter of this question does not fall within the administrative responsibility of the government of Canada.

COJO 76 OLYMPIC "SPECIAL RIGHT-TO-BUY"

Question No. 3,216—**Mr. Whittaker:**

Does it state on the contest forms of the COJO 76 Olympic "special right-to-buy" ticket drawing contest, that winners of the special prizes are required to answer a skill-testing question, as advertized in the *Ottawa Journal* of October 4, 1975 and, if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question 3,215.

SUPER VENUS NAPPA—CHAIR COVERING

Question No. 3,236—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 that a Super Venus Nappa was purchased from public funds for the Prime Minister's residence at 24 Sussex Drive (a) is this some kind of celestial object (b) is it a form of map or guide book for 24 Sussex Drive (c) for what reasons is it classified as "Super" (d) what is a full description of the object?

Hon. Mitchell Sharp (President of the Privy Council): (a), (b) and (c) See Beauchesne's Parliamentary Rules and Forms, fourth edition, Citation 171 (a). (d) Chair covering material.

VICKERS BENSON LTD.

Question No. 3,266—**Mr. Cossitt:**

With reference to the answer to Question No. 2,473 that shows Vickers Benson Ltd. of Toronto as receiving seven contracts totalling $2,132,952 in advertising contracts without public tender from the government since July 8, 1974 (a) is the government aware that either Vickers Benson Ltd. or any members of that firm did advertising work for the Liberal Party of Canada during the federal election on July 8, 1974 (b) did the firm, or any officer thereof, assist directly or indirectly in the 1974 election campaign on behalf of any of the Ministers of the departments involved in these contracts?

Hon. Mitchell Sharp (President of the Privy Council): (a) and (b) The information requested deals with matter not officially connected with the government (See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(dd)).

PRIME MINISTER'S EXAMPLES OF RESTRAINT

Question No. 3,268—**Mr. Cossitt:**

1. Did the Prime Minister state on his current trip to Western Canada: "I turn the thermostat down every time the kids turn it up and I turn down the lights all the time" and, if so (a) was the statement made in Winnipeg to members of the press (b) does it illustrate the full extent of the Prime Minister's examples of restraint at this time of high inflation?

2. Will the Prime Minister (a) discontinue to use government aircraft at public expense for personal holidays and political trips (b) curtail expenses from public funds for the purchase of other than necessary items for his official residence at 24 Sussex Drive (c) curtail the use of his eighty thousand dollar six mile to the gallon Cadillac?

Hon. Mitchell Sharp (President of the Privy Council): 1. See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(e).

2. (a) No. See House of Commons Debates for December 11, 1973, page 8618. (b) See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(i). (c) No, on security grounds.

HEALTH STANDARDS FOR EMPLOYMENT

Question No. 3,272—**Mr. Herbert:**

What studies have been undertaken or are contemplated to ascertain the degree of discrimination which may exist concerning health standards and/or physical handicap as a consideration for employment?

Hon. Mitchell Sharp (President of the Privy Council): The question is too vague and broad in scope to justify an attempt to answer it as drafted. Ministers concerned shall be pleased to do their best to provide the hon. member with adequate information upon request on specific aspects of this question in so far as it deals with matters under federal jurisdiction.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 2,909 and 3,004 could be passed as orders for returns, these returns would be tabled immediately.

[*Text*]

UNITED NATIONS ASSESSMENT FOR MAINTENANCE

Question No. 2,909—**Mr. Stanbury:**

As of June 30, 1975 (a) what amount was owing by each country in arrears of payment of the special United Nations assessment for maintenance of the UN Emergency Force and the UN Disengagement Observer Force in the Middle East (b) how much has Canada received on account of its contributions to these forces (c) what amount is owing to Canada on this Account?

Return tabled.

Order Paper Questions

NATIONAL PAROLE BOARD

Question No. 3,004—**Mr. Friesen:**

1. What is the cost of operating the National Parole Board?

2. How many persons sit on the Board?

3. What is the amount paid to each member?

4. What are the qualifications, professional, etc. of each of the officers?

Return tabled.

* * *

[*Translation*]

STARRED QUESTIONS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred questions Nos. 2,527 and 2,812?

[*Text*]

*MR. JACK AUSTIN

Question No. 2,527—**Mr. MacKay:**

1. What is the name and position of the public servant who, on January 30, 1975, occupied the office described as "Parliament Buildings, Room 203, East Block, Ottawa, Ontario, K1A OA2"?

2. What government office, on January 30, 1975, had the long distance telephone listing "613-992-4211"?

3. When using official letterhead on January 30, 1975, was the Principal Secretary to the Prime Minister, Jack (Jacob) Austin, acting on behalf of the Department of National Revenue and, if so (a) was he authorized to write that the original investors in Hearne Coppermine Explorations Limited were being re-assessed in connection with their sales in 1968 and that it was the view of the tax office that the transaction was an income one and not a capital gain, and was it government policy that the tax office interpretation of the transaction was in dispute (b) was he directed to advise that information was available on this matter by contacting in Ottawa the following number "613-992-4211"?

4. Does Jacob Austin have the option of using the Prime Minister's office to facilitate matters of this nature whether or not they pertain to the official business of his employer?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): The reply to the question is as follows: (1) The office described is shared by the secretary of the principal secretary to the Prime Minister and the secretary of the assistant principal secretary (Plans and Policy).

(2) See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(ff).

(3) See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(h) and (i).

(4) See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(h) and (i).

*PRIME MINISTER'S SWIMMING POOL

Question No. 2,812—**Mr. McKenzie:**

1. What was the amount of the Prime Minister's contribution to the Official Residence swimming pool alluded to in answering an oral question at page 6778 of *Hansard*?

2. To what group or individual was the payment made?

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): The reply to this question is to be found in the reply to 1,233 answered this day.

Mr. Blais: Mr. Speaker, I ask that the remaining questions be reserved.

Mr. Paproski: Mr. Speaker, I would like to bring to the attention of the parliamentary secretary, through you, that at the beginning of this session I had on the order paper some 80 questions on CIDA which were not answered, under the guise of restraints, because the Secretary of State for External Affairs said it would cost too much to answer all these questions. I deleted the questions after discussion with the minister and an agreement that if I put any ten of them on the order paper, he would have no problem in answering them. I should like to put that on the record. I am sure, now these ten questions are on the order paper, that they will be answered within the next couple of weeks.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Monday, October 27, consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, just before I called it ten o'clock last night I was dealing with a number of abuses of the Unemployment Insurance Act and I had categorized them into permissible abuses and those which are not permissible. When I described the case of the fisherman who was embarking upon a holiday trip and loading up his car and his silver trailer, having earned $40,000 that year and having established his status for unemployment insurance benefits for himself and his wife, it was inadvertently recorded in yesterday's *Hansard* that this particular fisherman came from the city of Prince George. There are no such rich people in Prince George. The fisherman actually came from the city of Prince Rupert, in the riding of my colleague the hon. member for Skeena (Mrs. Campagnolo).

During my speech the minister objected to some of the estimates I had placed on the record with regard to the cost to parliament and the country this year of the unemployment insurance fund. I inadvertently mentioned the figure of $2 billion. My notes contained the figure of $1.5 billion, but since my colleague the hon. member for Hamilton West (Mr. Alexander) had earlier mentioned the figure of $1.5 billion, and since four hours had expired from the time he spoke until I had the floor, I thought it would be only fair for me to increase the figure a little because costs are going up steadily.

To get back to the people who in my opinion abuse the Unemployment Insurance Act, and speaking about the various segments of our society which use the act for their own purposes, I would like to demonstrate how, in the opinion of the minister, the bill addresses itself to this problem. It proposes to increase the eligibility period from eight weeks to twelve weeks. Rather than reiterate the effect in monetary saving that this would have on the public purse, I will tell the House what this would mean in money and time saved by a person who works in a sausage shop in Victoria. Since she is only suffering from boredom while her husband is away from home, this bill will not have any effect on her. She actually works six to eight months per year, and after that she has an arrangement with her employer to let her go, because her work is usually during the winter months when her employer has problems in obtaining employees.

● (1510)

Also, this bill does not affect fishermen on the west coast with whom I have talked, nor does it affect construction workers whose cases I have described. In the case of fishermen, they have special arrangements with the Unemployment Insurance Commission, and construction workers work longer than the period prescribed in the act. A vast number of Canadians find the services of the Unemployment Insurance Commission convenient when they decide to change jobs frequently just for something to do and without regard to where they will next find employment. The bill addresses itself to that problem as well by extending the waiting period, or disqualification period, from three weeks to six weeks. This means that Canadians who practice frequent job migration will have to wait two months, if clause 16 of the bill is passed, before they qualify for benefits. While this may act as a deterrent to some offenders, it will place unbearable hardship on those people who for just reason, and probably for the first time in their life, leave their employment.

I ask the minister how many Canadians he considers are in a position today to be without income for such a prolonged period of time, particularly in cases where the claimant supports a family. Of all the proposed changes, I find clause 16 the most offensive, for this reason, particularly since there are other ways in which this problem could have been avoided. In most cases people will find it necessary to opt for some form of social assistance in order to bridge the gap. This means, of course—I am sure the minister is aware of this—that the burden of sustaining such a family for the two-month period is shifted partially to the provincial governments.

Before I attempt to suggest solutions to some of the problems I have enumerated—I have done this on previous occasions directly to the minister—I wish to deal with the second category of offenders who benefit from the act illegally. During the last postal strike the minister was surprised to learn that in the Toronto area alone, 6,000 people did not pick up their weekly unemployment insurance cheques at the designated places. One can only speculate that these people had good reason for not presenting themselves to the commission. I am sure some were receiving several weekly payments. Others may have had trouble getting time off from work to collect their cheques. At least that is one positive aspect of a postal strike. Next,

there are those who forget to declare earnings from other sources, and those who deliberately make themselves scarce, avoiding offers of employment. The list is seemingly endless, as endless as the army of investigators and adjudicators who roam the regions of our land spying out the guilty but usually only succeeding in punishing the innocent.

I said earlier that the government has not defined for Canadians, or for business or labour in particular, any basic underlying philosophy to the Unemployment Insurance Act. A consultation with business and management, for instance, would reveal that they consider the act to be viewed in the context of insurance only. They have, therefore, considered premiums to be based on a risk factor. The construction workers whom I mentioned would have to pay a higher premium to compensate for their heavy demand on the service.

Labour leaders tell us that they view unemployment insurance as social security and, as such, a redistribution of the general wealth. Based on these predilections, labour is more concerned that all legitimate claims are met and that the system runs at peak proficiency. The total cost is therefore not of concern to labour. Labour would be prepared to trade off the act for some sort of guaranteed income scheme. Little wonder my constituents are confused.

An hon. Member: Oh, come on.

Mr. Oberle: It can be seen that the members of the NDP are also confused. Little wonder that senior citizens, who are now denied access to the benefits of the act, and low income earners who must now pay a higher premium and find their benefit rate reduced, are confused. In light of recent developments, it is surely reasonable to ask the government how much longer it will allow this horrendous disease to go unchecked.

With the implementation of wage and price guidelines, the government has established a precedent which could also apply to the Unemployment Insurance Act. Stern emergency powers are requested by the government to deal with the economic crisis in Canada. The government not only hopes to check but also plans to bring serious budgetary and trade deficits under control. Canadians will be compelled to do certain things and to adhere to certain things. These strong measures became necessary because it was found that restraint did not come voluntarily. Is it not time to insist on similar action with regard to the unemployment situation? After all, it is the single, most contributory factor to the need for deficit financing in our country today.

There are two areas which should be considered immediately. First, we should consider establishing a ceiling of allowable annual earnings beyond which benefits would either not be paid or would have to be refunded with the income tax return. It simply does not make sense to me that a person earning in excess of twice the average Canadian's income should be entitled also to collect UIC benefits for part of the year. Certain professional groups, such as teachers, are already assessed on a 12-month average. Furthermore, serious consideration should be given to restricting the fund to the head of a household in cases where the combined income of wife and husband exceeds a certain level.

I understand and appreciate the desire of the government to make the program universal and equitable, but the new features in Bill C-69 are anything but that. A significant number of Canadians have reached middle-age and their families have struck out on their own. The husband has reached a peak in his career and enjoys a middle or upper income bracket. The wife, unable to cope with being idle and not having anyone left to care for, opts for some form of employment to keep her busy. She considers it a hobby job, to which she does not wish to become permanently attached. I suspect some of my colleagues in the House of Commons have wives with the same problem who take some kind of job to keep them from becoming bored. My wife does not fit into that category; she does not wish to be a burden on the public purse by accepting any form of income assistance, because she does not need it. I suggest that a number of my colleagues find themselves in the same situation.

It should be our aim to assure a climate of work opportunity in which everyone can find fulfilment; but is it really necessary also to pay benefits under the Unemployment Insurance Act during periods when the hobby loses its novelty and it is no longer convenient to go to work? In my case, that is the time I spend in the summer months talking with my constituents in British Columbia.

During our discussion with business and labour it became apparent that due to lack of any kind of demographic profile we were unable to identify these obvious areas of abuse. Also, during our dialogue with business and labour there was no argument when we advanced ideas to consolidate the services of Canada Manpower and the Unemployment Insurance Commission. This brings me to the second area with which the government must concern itself if we ever hope to have a check on UIC spending. It will become imperative to develop a better system of matching jobs with workers.

In a statement to the standing committee on November 26, 1973, the minister stated that the current paradox in Canada, of high unemployment and increasing labour shortages—I am quoting his words— indicates clearly that employers as well as workers may have special problems. I say they do have special problems in Canada. The minister also stated that the heart of any employment service is the technique it uses to match jobs with available workers. He went on to say that in Canada we have used, and used well, the traditional approach to job matching followed by other advanced countries. Nothing, Mr. Speaker, could be further from the truth. The left hand does not know what the right hand is doing. In a survey conducted in my riding we found that Canada Manpower satisfied only 7 per cent to 10 per cent of the available jobs. Only 15 per cent of employers in both the industrial and service sectors consult Manpower at all.

● (1520)

Clearly, Mr. Speaker, what is needed is a complete, and at all times current job inventory. I know these are strong words, but they are not out of season when we talk about some of the other measures the government finally had to bring in. It must be made compulsory for employers to

report their total capacity, and any changes thereto, on a weekly basis. Annual forecasts should also be filed with the commission.

The computer would, as it does in other industrial countries which the minister talked about, compile and reconcile the bank of employment opportunities against those who are looking for work. In that way we would not have to question the honesty and integrity of those who find it necessary to cash in on the unemployment insurance scheme. We would know whether he or she was making himself or herself available for work. We would have information as to the number of jobs available and the types of jobs, and the location would be at the fingertips of the counsellor who dealt with the claim in the first instance. There would be no further need for claim adjudicators and spies to roam around trying to keep everyone honest.

Mr. Speaker, I have advanced these ideas in the form of a private bill to the House and also in a private letter to the minister, pointing out to him the results of my surveys and how other countries cope with the problem. I would like, for the record, to quote a portion of the minister's reply to my submissions. He wrote:

> As you may know, enabling legislation exists in the Unemployment Insurance Act to require employers to report job vacancies to my department. This legislation was not repealed after World War II and it remains, as intended, as an instrument to be used in national emergencies.

That is contemporary rhetoric, something we have heard for the last couple of years every time we discuss the economy. He went on:

> Measures designed to compel employers to list all job vacancies with the CMC are not compatible, in my opinion, with the current social and economic climate of Canada.

Mr. Speaker, I said in my opening remarks that I hope the government will adjust its sails to the prevailing winds in Canada, as they have with the demands Canadians are putting on the economic sea. Bill C-69 fails in this regard. The letter continues:

> We are committed to improving departmental services and programs so that employers and workers alike will voluntarily use the CMCs to satisfy their manpower and employment needs.
>
> As I stated to the Miscellaneous Estimates Committee on November 22, 1973, we are now into the first stages of a plan to revitalize the placement service by adopting a more flexible and dynamic approach in the delivery of our services. This approach includes "self-service" job information centres for job ready workers where workers can see up-to-date listings of job vacancies and training opportunities. To date, 18 job information centres have been installed and in these areas placements have increased by 25 per cent. It is planned to introduce these "self-service" JICs in all Canada Manpower Centres across Canada as quickly as possible.

The letter concludes by saying:

> All these efforts are directed to giving better service to employers and workers and the experience to date, with the new approach, indicates that we are indeed on the right track.

The letter was written on December 21, 1973. To date, experience indicates that the minister's efforts have been a dismal failure. Mr. Speaker, all of us here know better, of course, and with Bill C-69 the minister admits defeat. He has now decided to shift the burden of costs which he can no longer control to someone else, and he is adjusting his sights as to the rate of unemployment we should aim for in Canada.

[Mr. Oberle.]

It must be a matter of serious concern to us when we see the government's attempts to achieve that by regressive taxation, placing the additional burden on those unfortunate Canadians who can least afford it. It is also a matter of serious concern that we should surrender unconditionally and without a fight to the shortcomings of our economic situation, the improvement of which is the only real solution to the heavy costs in human misery and degradation inherent in unemployment.

Mr. Speaker, as in other fields, this government is failing its people miserably in the area of employment security. The only positive thing the minister suggests in introducing the bill is that in his opinion further changes are absolutely essential. I agree with him on that.

Mr. Andy Hogan (Cape-Breton-East Richmond): Mr. Speaker, the major argument I have against this bill and the proposed amendments concerns the change in the 4 per cent maximum that the government has used since 1971 as the full employment norm. They changed the ball game completely with regard to economic policy relating to employment policy and the possibility of overcoming unemployment.

This situation has to be viewed against the history of the last 10 or 15 years. In 1965 the Economic Council of Canada made its first report. Dr. Deutsch and his companions defined full employment as an unemployment rate of 3 per cent. Due to the changes in the economy by 1971, the norm was viewed as 4 per cent. With the 1975 budget and the amendments introduced in Bill C-69, the norm is set at an 8 per cent moving average. Actually, nobody can say for sure, now, what the government's full employment norm is. We do know, however, that in June, according to the then minister of finance, it could have been 5.3 per cent and now it would be about 5.7 per cent. It is likely that it will go as high as 6 per cent or 6.5 per cent in the next few years. This is not only reneging on the 1971 white paper but on the definition of the norm of full employment.

● (1530)

I find the government's position interesting. When it introduced its anti-inflation bill, it said that it wanted to see the consumer price index rise by no more than 4 per cent per year in three years. But it refuses to tell us its goals with respect to unemployment. Apparently, according to the bill before us, the government defines full employment as a situation when there is 5.3 per cent unemployment or more.

Mr. Rodriguez: Mostly more.

Mr. Hogan: The minister and the parliamentary secretary yesterday suggested that as economic conditions have changed so much since 1971, this changed definition as to what constitutes full employment, or the norm in unemployment, is needed. We all know that under this government inflation has reached double-digit levels. We all know that unemployment has risen from an average of some 4.5 per cent in 1970 to an adjusted annual average of 7.2 per cent or 7.3 per cent. This winter, unemployment could easily reach 8 per cent.

It has always been difficult to define what is full employment, and unemployment. Those who represent

areas of traditionally high unemployment know that many workers become discouraged and no longer seek jobs. When this happens, when they no longer collect unemployment insurance, they are considered as being out of the labour market and are not counted among the unemployed. As native people are not defined as part of this country's labour force, it is clear that when you talk about 7 per cent or 8 per cent unemployment you are really talking about a total unemployment rate of 10 per cent, 11 per cent or more. The discouraged workers who no longer seek jobs are not included in the labour force survey; they do not count as workers making up the normal part of the labour force in all parts of Canada.

In the 1971 act, the government assumed responsibility for payments when unemployment rose above 4 per cent. Under the present bill, the government will assume responsibility when unemployment rises somewhat above 5 per cent, depending on the eight-year moving average. Clearly the minister, who does not like to be told these things, will make things worse by introducing Bill C-69. The government's response to the present crisis is like the government's ostrich-like response to the housing crisis, a response made evident in the June budget. It is satisfied with glib generalizations and glib clichés like "the changing evolution of our economic realities" which hon. members opposite used yesterday.

The fact is that the unemployed are surplus workers, whether or not they are included in official statistics. The income needs of workers remain the same, even when they are unemployed. It does not matter how bureaucrats define workers as forming part of the official labour force; any unemployed worker has less money to spend. This decreased purchasing power means that we must forgo, in this country, millions of dollars worth of consumption and, therefore, of production. We hear government supporters and members of the official opposition talking about the number of man-days of production lost through strikes, but we never hear them talk of the billions and billions of dollars in goods and services that we could produce if unemployment were kept to within 4 per cent.

We want price stability; we want prices to rise by no more than 4 per cent a year. I cannot understand why we cannot establish a 4 per cent unemployment rate as our goal. But the government has not done this. As I have said, it has done what is politically convenient and it has camouflaged the real situation. Consequently, if we are to get price stability at 4 per cent per year, we might have to settle for an unemployment rate of 7 per cent or 8 per cent as normal. Of course, the minister and his colleagues do not seem to give a darn; they are not on unemployment insurance and most of the middle and high income people they represent are not on unemployment insurance.

The Atlantic provinces and other low income areas of this country will bear the brunt of this legislation. As I see it, our policy-makers are following the lead of Mr. Simon and Arthur Burns in the United States and are content to let unemployment rise to 8 per cent or 9 per cent in order to achieve the goal of prices rising no more than 4 per cent a year. They must know that policies of tight money, high interest rates and fiscal restraint will generate more unemployment. They decided, as is evident from perusal of this bill, to abandon the concept of 4 per cent unemployment as the norm. They decided to switch the extra burden of the unemployment insurance program to the working poor and other low income groups, worsening the situation of people in low income regions like the Atlantic region.

They did this by introducing a regressive payroll tax, whereas the money ought to be taken from general revenues. In short, this program ought to be based on the progressive income tax concept. The present bill does not say much for present-day liberalism. It is based on basic economic conservatism, a conservatism which is part and parcel of the approach shown by the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Macdonald) to our problems. I have become even more convinced of the truth of this contention since hearing yesterday's interesting exchange between the Minister of Finance and the hon. member for Prince Edward-Hastings (Mr. Hees) on the relationship between the money supply and price levels in the economy.

The Minister of Finance struck me as a struggling lawyer trying to understand what the economists, monetarists, bureaucrats and the Bank of Canada are saying, and trying to determine what the whole game is about. The hon. member for Prince Edward-Hastings implied in his question that an increased money supply, more than anything, boosts inflation in the short run. The minister seemed to indicate that the Bank of Canada was seriously considering adopting the monetarist point of view and making it part of policy, although he suggested, I understand, that the rules would not be adhered to rigorously as far as economic grant was concerned. I suggest to the Minister of Finance that before he and Governor Bouey become too enamoured of the monetarist view with which Arthur Burns and the federal reserve system of the United States have been toying, they should read the October 20 edition of *Business Week*, pages 16 and 17. I say this in view of what the minister said yesterday in his exchange with the hon. member for Prince Edward-Hastings. The editor of *Business Week*—it is hardly a socialist magazine—stated:

● (1540)

Monetarist economics came into its own back in 1970 when the Fed's open market committee adopted moderate growth of the money supply as a major policy goal. Since then the monetarists, who generally subscribe to Milton Friedman's—

He is a professor at Chicago University.

—dictum that "inflation is at all times and everywhere a monetary phenomenon," have made numerous converts in the canyons of Wall Street and the executive suites of American business—

Also, I might say, in the Department of Finance and the Bank of Canada.

—so much so that any significant pickup in monetary growth is now taken by many observers as a harbinger of higher inflation.

A newly released study by the prestigious Conference Board, however, suggests that the Fed's preoccupation with gradual monetary growth rests on shaky empirical grounds. In ongoing research reported in the October issue of the Conference Board Record, economist Michael E. Levy employed several equations to explain the inflationary patterns of the past 21 years. Levey found that purely monetarist equations linking short-term monetary growth directly with inflation were the least reliable predictors of subsequent price behaviour.

Therefore, I would advise the Minister of Finance to again get together with Mr. Bouey before making announcements about the latter in effect following the line of Arthur Burns and the federal reserve of the United

States. My conclusion at this point is that this government's policies as envisaged in this bill and the one dealing with anti-inflation will create more unemployment. I also have emphasized that the government has given up the notion of getting back to a 4 per cent level of unemployment in the life of this parliament. They decided then that they had better shift the greater share of the premium-paying for unemployment insurance, since this is bound to go up, to a payroll tax, which falls on the working poor and lower income groups proportionately harder than on middle and upper income taxpayers. We in the Atlantic region, who have so many in the poverty category and the low and middle income groups of this country, will once again be indirectly shafted by the policies of this government which at the same time is protesting they are doing so much through DREE.

I want to discuss for a few minutes the relationship between unemployment insurance and the work ethic, something that was introduced indirectly into this debate yesterday by the minister and picked up by the hon. member for Hamilton West (Mr. Alexander). The minister led off this matter with his clause to amend section 43 of the act which refers to disqualification of workers" who leave their jobs without just cause, who refuse suitable employment and who are discharged." He wants the disqualification period changed, raising it from three weeks to six weeks. The proposed changes result from what he called the alarmingly high number of persons leaving their employment. He referred to the annual voluntary quits as being 250,000. I would like to know whether that figure, presumably arrived at after serious study, compared with the ten million people in the labour force, is really alarming. He also seems to think that the figure of 21,000 who annually refuse suitable employment is quite high. It seems to me to be extremely low when you compare 21,000 with a labour force of ten million.

Mr. Darling: Two hundred and fifty thousand.

Mr. Hogan: There are 250,000 voluntary quits, and 21,000 who refuse to take suitable employment. The hon. member for Hamilton West dealt more fully with this point in the debate. I want, for his edification and possibly that of the minister—although I shall be more humble in his regard because he has had an opportunity, to do research—through his specialized personnel, to refer to an article by Harold Greer in the Toronto *Star* this summer, entitled "Matching Jobs and People". This refers to Ontario. I quote:

> One of the curious paradoxes of the Canadian labor market in the last few years, especially in this province, has been the phenomenon of high unemployment rates while job opportunities go begging.
>
> It has, of course, been a paradox with highly political implications, in that it invites the conclusion that work is available for anyone who wants it and those who don't are job-dodgers sustained by unemployment insurance benefits. P. E. Trudeau exploited that idea very adroitly in the last federal election campaign, even as he cracked down on claimants for the expanded benefits introduced by his government in 1971.
>
> It is not, however, a conclusion supported by a research study by the Ontario ministry of labor. In a paper entitled "The Paradox of Unemployment and Job Vacancies—Some Theories Confronted by Data," M. L. Skolnik and F. Siddiqui of the ministry's research branch find little evidence for, and much against, the theory that laziness and unemployment insurance explain the coexistence of unemployment and manpower shortages.

[Mr. Hogan.]

Going away from Ontario to those parts of the country where you would expect the most abuses because unemployment has been around so long, I want to refer to discussion paper No. 33 of a study by the Economic Council of Canada for the Council of Maritime Premiers last year. In that document, which studied the relationship of unemployment insurance to labour market activities, among other areas, there is a chapter entitled "The Effect of the Unemployment Insurance System" of 1971 and the increased benefits of labour force activity in the Atlantic region. I will just use a short quote from the conclusion of the chapter:

> The greater generosity of the unemployment insurance system has not decreased true labour force participation in the maritimes.

● (1550)

In other words, rather than the bias of those who are trying constantly to say there are too many people using unemployment insurance in the Atlantic region, this study strongly suggests that if the jobs are there, the people will take the jobs. They want the jobs. Of course, this flies in the face of those who say there is a disappearing work ethic as far as Canada is concerned, even in parts of Canada where there is heavy unemployment constantly, as in the Atlantic region.

One of the amendments the minister suggested yesterday which seems eminently fair is that which extends the choice of weeks for a pregnant employee. An amendment I should like the House to consider arises out of an experience we had, admittedly in an emergency situation, in my constituency this summer. Perhaps I can best introduce it by reading part of a letter from Mr. Daniel White, vice-president of local 4520 of the United Mine Workers of America, district 26, after a fire in the only coal mine in Glace Bay had resulted in the loss of 775 jobs and pushed unemployment as recorded in the Glace Bay unemployment insurance office up to between 26 and 29 per cent. Mr. White wrote:

> The membership of No. 26 local union 4520 are requesting the assistance of your office in helping us to determine whether we have been unjustly treated under the UIC Act with regard to the disqualification of a week's waiting period which followed the fire at No. 26 colliery on June 19, 1975.
>
> The week following this date the men had no work and were putting in a week's waiting period under the UIC Act. However, retroactive money due to the men dating back to January 1, 1975, was paid to the miners on the Thursday of that week. According to the UIC Act this disqualified the men from a week's waiting period. The membership feel this was an abnormal situation and this retroactive pay was issued early due to the unforeseen circumstances.

The background to this is that the last contract negotiated between the United Mine Workers and the Cape Breton Development Corporation included a clause giving the miners benefits in case of lay-offs. The terms of the agreement provided for $100 for the first week and $20 a day for the second week, up to a maximum of $200. This was certainly a step forward and both the mine union and DEVCO should be commended for it. It was put in to help the men get by their two-week waiting period for UIC benefits. Unfortunately, the unemployment insurance regulations under section 172, "determination of earnings for benefit purposes", section 1 and 2(a), defeat the purpose of this arrangement by treating the payment as "income of a claimant arising out of any employment".

As the act now stands, this $200 payment would have penalized the miners in the eyes of the UIC if it had been paid during the first two weeks. To prevent this happening, DEVCO, in conjunction with the union, worked out a plan under which the unemployed men would be paid a special advance at the rate of $15 per week. Under the circumstances, this was the best way of giving the miners the money due to them, with the least penalization.

The upshot was that the $30 for the first two weeks was deducted from the first UIC payment on the third week. This is because any money received during the two-week waiting period is deducted from the claimant's first UIC cheque. The balance of the $15 payments to the claimants by DEVCO did not affect UIC payments because such a sum is below the minimum allowable earnings received while collecting UIC. To give an example, a miner eligible for $100 in UIC benefits would have received $15 from DEVCO in the first week, $15 from DEVCO in the second week, and $70 from UIC in the third week along with DEVCO'S $15. In the fourth week he would have received the full $100 from UIC, plus $15 from DEVCO. The additional payment of $15 from Devco would have continued until the miner had received a total of $200.

Mr. Speaker, the miners effectively lost $30 of their benefit because it was deducted from their first UIC cheque. This is regrettable. But far more disturbing, in the eyes of the miners, is that they cannot collect this special payment during the first two weeks when they need it most. Admittedly, a fire in the mine—which is what caused these lay-offs—is an emergency which does not occur every day, but things like this ought to be provided for under appropriate regulations of the UIC. It is intolerable that UIC regulations should conspire against a good agreement worked out between management and union to help the unemployed miner.

The regulations should be changed so as to allow DEVCO miners and other workers with similar agreements to draw special payments during the waiting period without being penalized. In such urgent cases, the waiting period should be drastically cut or eliminated completely. There is also a need to clarify whether or not forgiveable loans from the company in times of hardship or emergency should really be computed as earnings by the Unemployment Insurance Commission.

I want to conclude by saying that the amendments embodied in Bill C-69, especially the regressive tax elements in it as well as the change of the 4 per cent norm, lead us to realize that over on the other side is not a government of compassionate liberalism but a government of confusion in objectives and means to obtain its objectives, with more than a little bias against low income workers and low income regions. This is all underscored in the government's anti-inflation program and the changes to the Unemployment Insurance Act which the minister introduced yesterday.

● (1600)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, the bill presented in the House on July 20, 1975 includes amendments meant more particularly to protect the fund than the worker confronted with the unemployment problem, a social evil hitting too many well disposed persons. As a result many problems crop up and often lead to poverty with its usual consequences.

It is proper to examine for a moment the situation of an individual tackling with the unemployment problem. The head of the family who loses his job feels that it is the end of everything. He cannot bear facing his wife, his children and his friends. If he does find temporary employment it will usually be a semi-skilled job with low wages. He is deprived of the necessaries of life and he is also suffering from psychological deprivation. He got a better salary in his previous job and was proud of his work, whereas he feels humiliated in his new position. He feels rejected, his pride withers.

When the head of the family is at home all day long and has to face financial troubles and feels sorry and helpless, he sometimes becomes irritable and difficult to put up with, and his family life suffers as a consequence. He feels sorry for himself and guilty at the same time. His situation gets even worse when he sees prosperity around him. After six months or maybe a little more, his standard of living deteriorates and he becomes one of the unprivileged. If he has completed only primary or secondary studies, is unskilled and over 45, he has but little hope to find a satisfactory job and his chances get smaller and smaller every day.

Let me by the way mention that aspect of unemployment which I call dangerous. It can become explosive if handled by opportunists, mind you. In these days of hardship, the executives and personnel of news media, the employees of the Unemployment Insurance Commission and manpower centres should perform their task in a totally unbiassed way, and be careful not to let themselves be prompted into a provoking answer which might increase existing social tensions. We, in this Parliament, should use every parliamentary procedure to have the government start with all the means at its disposal looking for real solutions to the great problems of today. We should provide the civil servants who assume responsibility for enforcing the bills we pass with the appropriate means to really help the unemployed who show their good will. They have been hit by a hard enough blow when they left their employment. Let them not be submitted to endless vexations before they can be paid benefits.

When referring to the July 8 memo, I find that the amendments in Bill C-69, which are important in some ways, are mainly changes aimed at smoothing out some of the drawbacks inherent in the enforcement of the act. I notice in the documentory notes given to us on July 8 a reference to a number of supplementary changes proposed to reduce as much as possible the injustices and complexities now existing. I notice this reference and I hope that fuller changes will be introduced without too much delay.

As regards persons who take part in job creation projects, such as local initiatives program promoters, it is normal that they take part in the benefits as well as inconveniences deriving from the Unemployment Insurance Act. The proposed changes also mention that claimants may be allowed to terminate a current benefit period and establish a new one, if it is in their interest to do so.

This procedure might be profitable, especially in the case of payments for an illness, since there is always the

question of an initial phase. About this kind of benefits, changes are also suggested to ease somewhat the eligibility conditions. The problem of medical certificates will have to be settled, and the certificates provided by local physicians will have to be deemed as valid for eligibility purposes without any need for confirmation by other physicians at the head office of the commission who do not know anything of the patient's illness.

I have here a photocopy of a letter adressed to a claimant who had incurred an illness during the initial period. I think it is appropriate to quote from it a paragraph which shows the difficulties which result from the act and the related regulations. It reads:

The claimant submitted a second application for the week of December 22, 1974. She provided us with an employment record with eight weeks of insurable employment between December 9, 1973 and February 2, 1974. However, she needed 8 weeks between December 23, 1973 and December 28, 1974, which was her reference period, that is to say 52 weeks from the date of her second application.

This is a real mathematical problem and the result is a big zero for total payment. Insurable period, initial period, reference period are so many words used by officials to try explain the periods when there is no payment at all.

I have often said in the House that the Unemployment Insurance Act, while providing a necessary help to unemployed people, is also set up first of all to protect the fund. We see clearly an example of such a financial cooperation in this provision regarding the benefit disentitlement after the age of 65, since the former Minister of Finance (Mr. Turner) himself announced this feature in his budget speech last June 23. We cannot be blind to the fact that those workers have contributed to the unemployment insurance scheme for many years, in the hope of keeping their entitlement to benefits till the age of 70. It is an injustice for this group of workers, and we do not think the savings permitted by this measure will contribute significantly to balance the budget.

Most of those workers re poor people who would deserve better treatment at an age when they are still available and eager to do some work according to their skill. Representations have already been made by representatives of various associations on behalf of their group, and it would be advisable that this discretionary measure be completely deleted from the bill under study.

If the technocrats who drafted Bill C-69 had really been concerned about the workers, they would have found, at the very least, a solution to the transfer of the contributions, either to the Quebec Pension Plan or the Canada Pension Plan, in order to increase appreciably the inome of the workers in the event where they were forced into retirement. It is inconceivable that workers who for years have contributed to maintain an insurance fund should be faced with the denial of their right to benefits when they are still available on the labour market, and without compensation from a fund to which they have contributed for many a year.

● (1610)

I therefore urge the minister to at least find a solution that is more humane.

On September 22, 1975, the Quebec newspaper *Le Soleil* reported that the delegates of the golden age at the close of the convention of the federation attended by delegates of 802 affiliated clubs, representing 90,000 members of the federation, expressed the wish that their federation exert pressures on the government to convince it of withdrawing Bill C-69 through which persons over 65 will be denied the right to unemployment insurance benefits.

On September 5, 1975, the secretary of the Quebec Retired Civil Servants Association Incorporated sent the members of parliament and the news media copy of the resolution passed at a meeting of the administrative council of the association convened on September 2, 1975.

Here are some extracts of the whereases in their resolution:

That the proposed amendment is unfair and discriminatory for those who are 65 or more and who, because they do not have sufficient income to live comfortably in these inflation times, have a job and hope to be able to get unemployment insurance benefits in a more or less distant future after they have contributed to the fund for many years.

That the government established a program called "New Horizons" aimed at keeping active those who are 65 or more by encouraging them to have a job to stay in good health as long as possible.

That the government spent in this regard $10 million and that a sound and fair philosophy ensures that those who take part in this program are not penalized, as would be the case if the bill were enacted.

That the Minister of Manpower and Immigration is drafting legislation to make courses available to the unemployed so that they can have a new training to get a job, thus integrating manpower training programs into the unemployment insurance program.

That a pilot project is now on trial in Newfoundland, under which a larger number of unemployed would receive both unemployment insurance benefits and some training, which would create, if the experience were successful, a glaring contradiction with the provisions of Bill C-69.

It is therefore proposed and resolved unanimously that the government of Canada be urged to delete in this bill all provisions relating to the non-eligibility for unemployment insurance benefits of people aged 65 or more, in order that the latter, as in the past, be entitled to eventually receive total benefits after termination of employment.

I have in hand the text of a communiqué appearing in *Le Droit* of Ottawa on Friday, September 19, 1975, signed by Mrs. Wilbrod Dufour, from Sainte-Foy and entitled: "The hell with people aged 65 or more". It is a good opportunity during this debate to quote the whole text of that communiqué, which summarizes so well the situation:

This title may seem a little startling but in my view it faithfully reflects the federal government's attitude towards older workers. Indeed we read in the budget speech that the applicants' age limit will be lowered from 70 to 65.

What is the rationale? To keep afloat the unemployment insurance fund which is supposed to be in the red. If the unemployment insurance is poorly administered, one cannot blame it on the older workers.

I support this statement 100 per cent.

What is meant by "older worker"? It is someone who has reached or will shortly reach the age of 65. He is about to be dismissed from his job because he has reached the compulsory retirement age which is

enforced in the business where he is employed. He may be entitled to a meagre pension or he may not. And surely the old age pension cannot fill the grap and provide him with decent livelihood. Therefore he has to work.

Many of these people enjoy good health and are perfectly capable of working. They are bona fide workers as defined in the Unemployment Insurance Act. It is precisely because they make many contacts to find a job that they need unemployment benefits. Nevertheless the government has just arbitrarily decided that at 65 a man has no right to work, in a word no right to live. Yet most of them have contributed to the unemployment insurance fund for 34 years—since 1941—and in many instances have never collected benefits.

This important group of people, made up of elderly workers and their families, is compelled to judge very harshly the governing body for wanting to treat them in such a way.

Is there anything more enlightening than to hear our federal ministers utter, on every possible occasion, pious wishes with regard to our senior citizens: they built our society, they deserve our respect, our regards, our consideration, etc.

But when it is time for action they merely think of getting the Unemployment Insurance Fund out of the red at the expense of the elderly workers, those who built it by contributing to it for 34 years.

It is obvious that all those who contributed for many years to the Unemployment Insurance Fund deserve a lot of attention from the administration. They are not responsible for the administrative complexities resulting from a legislation and regulations that should be improved on the basis of the needs of everyone of its participants.

Most of these workers are poor people who should deserve a better treatment at an age where they are still available and ready to work within their capabilities. We do not believe that the savings resulting from this measure will be useful in balancing the budget.

I am convinced that this measure will not help balance the budget. However, it can easily be seen that a legislation with a too sophisticated phraseology brings out regulations which often are inapplicable. Insurability problems could be eliminated to a degree with some appropriate amendment to the multiplication of the waiting and qualifying period, the extended period and the length of the employment period and to the total earnings with the same employer.

The four consecutive weeks of ineligibility, although it might be due to four weeks of work, is a feature which has to come out of the Unemployment Insurance Act. It contributes to discourage the unemployed to go back to work.

Recently, in my riding the employees of the Moto-ski plant had been called back to work by their employer for a four week period and when they re-established their claim they lost in its entirety the unemployment insurance to which they were legitimately entitled simply because of the formulation of a section of the act that did not mean anything.

These difficulties arising out of a poorly written act might sometimes lead to illogical decisions on the part of an officialdom qost in that complexe red tape.

I shall give you an example of what happened when eligibility to pregnancy benefit had to be determined. Here is the answer given by an employee of the Commission to a claimant: That claimant does not meet the eligibility requirements for pregnancy benefits. She does not have, as mentioned in the regulation, the 10 insurable employment weeks during the 20 week period immediately preceding the thirtieth week before her delivery. During this period, she made no contribution and, as a result, she received no payments. Can you imagine such administrative complications?

● (1620)

As concerns job searching, it is sometimes revolting to see what happens. Unemployed workers are required to visit employers who are having extreme difficulty remaining in operation in an industry like the furniture industry, because of higher transport rates between provinces, like the leather goods industry which must bear the fluctuations of custom rates, like the wood industry in general which is half paralysed. The type of cooperation which must exist between manpower employees and Unemployment Insurance Commission employees should help the unemployed instead of giving them trouble.

To give an idea of the answers given concerning job searching, I would like to read question No. 2095 placed on the order paper on March 21, 1975, at the request of my colleague from Abitibi. It is as follows:

QUESTION: Does the Unemployment Insurance Commission have daily data on the number and type of jobs available in a region and, if so, how does the Commission inform the concerned citizen?

ANSWER: Yes but these data are maintained by district office rather than region to enable the Commission's local offices to provide a more effective service to UIC claimants as distinct from the concerned citizen at large. This information is used for adjudication purposes and to assist claimants in meeting their obligation to seek and find work.

That gives an idea of the problem caused by the regulations concerning job searching. It is obvious that the commission has required the unemployed to search for more jobs than there can possibly be available at certain times of the year. It must be noted that the cost of advisory services in job reference or research is evaluated at $1,345,730 for Canada and at $427 million for Quebec.

I believe that these sums would have been better used if more projects had been accepted through the Local Initiatives or the Opportunities for Youth Programs. All the preparation work had required different types of research and this was not costing the government a penny, and the projects in most cases were valid ones. This would have provided work for many unemployed anxious to work. The same thing will happen again there.

In my area 82 projects were submitted. We have $1,077,-000 to distribute and there are projects for over $3 million. So imagine that some will have to be told that their projects are not accepted. And the unemployment rate in our area varies from 17 to 25 per cent based on the calculations usually used by the officials of various boards under the Department of Labour. I have never been against the idea of implementing the Local Initiative Program, it was fantastic, it required preparation work on the part of people. The spirit of initiative was being discovered in workers, well-intentioned people. But at the same time provision should have been made for sufficient amounts to accept at least two thirds of the projects. We cannot accept more than one third.

This year some advertising was done to encourage people to submit projects. Yes, there is a lot of unemployment. A lot of money was paid to advertise and then discourage people because most projects are not accepted. That was a way of solving the unemployment. That avoided the red tape complications of an overly complicated legislation.

The consideration of a bill whose object is to reduce the demoralizing effects of inflation should not take us away from another objective whose purpose would be to take the appropriate means to organize work so more citizens can participate each according to his tastes, skills, aspirations and knowledge. There is so much work to do in a young country like ours.

I would not suggest there is nothing good in Bill C-69. Only I wanted to show the act's deficiencies in general, as I had reasons to believe more sections would be amended. However, I recognize extending the eligibility period will help some unemployed persons. Those that suffer from an accident will receive certain benefits. But I note these various clauses are still couched in a way that makes them very complicated and difficult to understand by the majority of unemployed workers. It is hoped the bill will be amended, either in committee or elsewhere, to become acceptable.

I still feel officials from the department and the UIC do not adequately consult labour representatives before they prepare this kind of legislation. For this reason, and unduly large proportion of unemployed are victimized under the act, which does not relate to present day needs.

Extending the disqualification period for those who leave their jobs without good reason or refuse suitable employment may have serious repercussions. I do not approve of a worker leaving his job without a good reason or refusing suitable employment. However, we should consider the circumstances and the kind of employment offered. This is where arbitrary decisions will happen.

It may be said that the unemployed can always appeal, but that is a long and complicated process. We should certainly add something that would force the officials to scrutinize the case before they render a decision. I do not criticize the officials as a whole, because most of them are relatively well inclined. However, let us make it easier for them. The legislation is so complicated they are sometimes compelled to take attitudes contrary to common sense. According to my information, the commission employs 118 investigators for the province of Quebec and 26 liaison officers. By comparing the number of investigators and liaison officers, one can conclude that the commission is taking more interest in investigations than on information given to claimants about their entitlements and liabilities.

On several occasions, I mentioned that complications have multiplied when the commission appealed to the income tax office to determine the insurability, this fact has caused many a headache. And if that continues, no one knows when it will end. I have in hand an advertisement published in newspapers indicating the computing methods to use for reimbursing to the Department of National Revenue the overpayments of unemployment benefits. A whole page, 8½ by 14 inches, just to explain how to pay back the overpayments. A fine example of cooperation, indeed, which does more for the unemployment insurance funds than for the interests of the unemployed. We seldom see the commission advertise to explain to the unemployed how to get an adjustment of their benefits in case of miscalculations. No wonder the Unemployment Insurance Act is the target of so many criticisms. I attempted to explain that it is mainly because it is often written in quite an incomprehensible manner.

I have here an editorial by CJRC dated October 10, 1975 and entitled "The Unemployment Insurance Scandal". I would like to quote in part. It reads as follows:

> It is an open secret that thousands of unemployed draw unemployment insurance benefits to which they are not entitled, through the help or the ignorance of some UIC officials, while thousands of others who would be entitled to those benefits have seen the payment of benefits being refused, through arbritrary action of officials, both intransigent and arrogant!

And one reads further down:

> Let me quote now the content of a memorandum adressed to UIC officials by insurance director D. R. Brown, which, however unlikely it may seem, reads as follows:
>
> "It is not the responsibility of commission officials to inform the parties concerned that the time may have come for them to submit a claim for benefits, nor to invite them to submit one, NOR TO KEEP THEM INFORMED OF THEIR POSSIBLE BENEFIT ENTITLEMENT.
>
> The insured who claims that he or she did now know the provisions of the act, nor his or her resulting duties and obligations HAS NO ADMISSIBLE EXCUSE IN CASE OF NEGLIGENCE". This confidential document has fallen into our hands; it is reproduced in its integrity for your information. You will certainly ask yourselves, as we do, if the unemployment insurance scheme is not a poor joke, and if the UIC is not mocking benefit recipients who are at its mercy.

I should like to conclude by insisting on the employment search problem. For some time and especially since last fall, commission officials have certainly given instructions to their employees as to the recipient's obligation to search for employment. I am not against commission employees suggesting the unemployed ways and means to find employment. Let's not go too far however. Various factors must be taken into account with regard to job seeking. First the unemployment rate in the area, the number of industries likely to need manpower; the season in the case of forestry, farm, fisheries workers or of any other seasonal industry; besides, and this is very important, the working and wage conditions that prevail in the area where the worker is sent; travelling expenses, the approximate duration of the job and that must be checked by people well informed of the prevailing working conditions in the area suggested to the unemployed.

It is well known that those directives resulted in forcing unemployed to seek jobs in areas where manpower centre employees had no job to offer. Those bureaucratic requirements do not solve the unemployment problem, but rather help wear out the patience, and I repeat it, the patience of overstaffed employers and of unemployed who lose heart when they see the results of their efforts.

I conclude by expressing the hope that the bill will nonetheless be revised, re-examined and, after consideration in committee, practical suggestions will be made and most of all studied by those in power so there will be major amendments to improve a little the sometimes complex relations that result from a legislation drafted in a way that is not suitable to those who are out of work.

● (1630)

[*English*]

Mr. John Roberts (St. Paul's): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Roberts: I think that applause indicates that hon. members have been waiting a long time.

Some hon. Members: Hear, hear!

Mr. Roberts: The applause must mean that they would like me to finish as quickly as possible.

There was one sentence, particularly, in the speech the Minister of Manpower and Immigration (Mr. Andras) made to the House yesterday which caught my attention and which, it appears from *Hansard*, received considerable commendation in the House. That sentence is as follows:

—we intend to make certain that Canadians who are working hard to maintain self-sufficiency, to maintain the momentum of this country's economy, and who are contributing to the unemployment insurance program, do not have to carry the added burden of supporting able-bodied people who do not want to work.

That is an indication by the minister that he is concerned about the problem colloquially called a rip-off but perhaps more accurately called abuses which attach not only to the Unemployment Insurance Commission but to many progams both inside and outside government. There are problems of cheaters and chisellers in relation to avoiding Customs, as we all know. There was even cheating and chiselling with regard to the guaranteed income supplement, though we do not talk about that very much. These cheaters and chisellers are a small proportion of those who might benefit from any program.

If I understood the remarks of the hon. member for Cape Breton-East Richmond (Mr. Hogan) earlier, he suggested that perhaps the number was not terribly significant and that we should not worry overly about this kind of abuse of the program. I suppose it would be easy to reply that as long as any abuse is taking place, members of parliament should be concerned with saving taxpayers money. However, even more important, I think it would be fair to suggest that it is important that the unemployment insurance program should have the credibility which requires those who abuse the system to be cut to the absolute minimum and that the cheaters and chisellers be sought after and, hopefully, caught. It is not simply a question of absolute numbers. It is a question that the program must not only be just but it must appear to the public to be one in which the interest of the public is protected through efficiency and through concern about those who might abuse the system.

Where I would agree with the hon. member is that we should not, in that tired old phrase, throw out the baby with the bath water. In concerning ourselves with abuses and the necessity of restricting them, we must make sure not to limit the benefits under the program for those who are genuinely deserving of them. In bureaucratic jargon, concern about abuses is translated into the phrase "the disincentive to work problem." That is a phenomenon we have had to deal with in terms of unemployment insurance since the inauguration of the scheme in 1941.

There is a continuing dilemma with regard to this program. On one hand, benefits under the system must be adequate in order to meet the primary objective of offering adequate income replacement to those who are unemployed, but in so doing we must keep in mind the disincentive to work. If these benefits are too high, they may cause people to try to take advantage of them when they are not entitled to do so.

One way of dealing with the problem of disincentive to work would be to ensure that the benefits under the program were so small that people would not have an incentive to leave work and accept the benefits. That would certainly minimize the problem. If benefits were reduced to an extremely low level—I am sure no one in this House would like to see that happen—individuals would be forced back into the labour market and obliged to take any kind of work because of the inadequacy of the benefits under the program.

However, the effect of taking the action of reducing benefits would be dramatic in its influence on Canada's labour force and on the economy. It is desirable for highly skilled people to retain their skills, but they would be forced to accept less skilled, or unskilled jobs in order to survive. The social investment and their investment in their training and education, and the effect of their education would be lost to the labour market.

Clearly, the effects of the disincentive to work in any unemployment insurance scheme must be weighed carefully against the need to maintain the stability of the labour market, to protect skills and to maintain a pool of trained workers from which the economy can draw in times of high productivity. Many employers are forced to have periods of lay-off. They need, and it is desirable, to have their work force readily available when production resumes. It would be costly and damaging if the work force of those employers was unavailable because of inadequate unemployment insurance protection which would force them to disperse what would otherwise be a skilled work force.

Clearly, what we must do is try and draw a balance in dealing with the disincentive to work problem between the needs of maintaining high levels to protect those who are legitimately without work and to find, also, mechanisms which will discourage those who might be tempted to cheat on the system, who might be tempted to try to find ways of claiming benefits when they are not genuinely those which the act has in mind as beneficiaries.

I was pleased to see that the minister, in bringing forth this legislation—though he did not deal with this in great length in his speech to the House—has taken steps to deter individuals from unfairly battening on to the system. The most significant of these changes is the proposal that those who voluntarily quit their jobs without good cause, those who are discharged for misconduct, those who refuse suitable employment, and those who refuse to upgrade their skills by taking courses of instruction, will be disqualified from receiving benefits up to a maximum of six weeks.

This is not simply an extension of the maximum; it is, in effect, a doubling of the penalties under the existing act. Those under the existing act who were penalized by one week's disqualification would now face two weeks disqualification, those with two weeks would face four, and those with three would face six. It is perhaps misleading to say that it is an extension of the maximum disqualification; it is, in effect, a doubling of the disqualification under the existing act.

● (1640)

Under the old Unemployment Insurance Act, the disqualification was simply a deferment of benefits, not a

reduction in the number of weeks payable. The Gill committee, which studied the Unemployment Insurance Act more than ten years ago, recommended that the penalty be a loss in benefits rather than a deferment, and that provision was introduced in 1971. With the current proposal, people who quit their job without good cause face up to eight weeks, including the two-week waiting period, without benefits. I hope this will be a disincentive to those who might be tempted to take advantage of the system.

I know there are some members on the other side of the House, and perhaps even on this side, who consider six weeks disqualification to be harsh. There will be some who under some circumstances—and I might put myself in this category—feel that it is not harsh enough. There are jurisdictions in which those who leave employment voluntarily or are discharged for misconduct, and so on, lose all entitlement to benefit and must requalify through working in insurable employment.

Mr. Leggatt: Spain.

Mr. Roberts: The hon. gentleman across the way is knowledgeable of activities in Spain, but one can look closer than that, to the United States, and see that they have that kind of provision.

The government has decided that approach would be unduly harsh, and feel that the provision they have brought forward meets the middle ground. It is a more desirable disqualification, and more generous than the hon. member for New Westminster (Mr. Leggatt) would like to see followed. I hope it will have the effect of retarding unjustified demands on the system which we, as representatives of the taxpayers, should be concerned about.

The second provision in the legislation which I support relates to the three weeks' lump sum advance payment of benefits to claimants, which does not have to be repaid in the event that they find work immediately. This was introduced in the 1971 act and we on this side supported it because it was felt that we were adding an incentive to those who were unemployed to get back to the work force quickly. It was conceived as an incentive to re-enter the work force. It was assumed that this kind of lump payment would be a bonus on top of the salary an individual would receive, and so he would be extra active in efforts to find work quickly.

Unfortunately, the opposite proved to be the case. Rather than being an incentive to early return to work, advance payments of unemployment insurance in many cases seems to have resulted in a disincentive. There appears to be evidence that those receiving the payment did not return to the work force more quickly than other people. It appears that the 1971 legislation conferred incentives and benefits which did not have the intended effect, so it seems logical to discontinue them.

In summary, Madam Speaker, one of the reasons I am anxious to support this legislation is that it takes steps to reduce the disincentive to work which, perhaps unfairly, in the public mind has been associated with the unemployment insurance program. These are useful steps to diminish the kind of cheating that could take place, and I think they will assure the public that we are concerned about that problem.

I hope the minister will not be complacent in the administration of this legislation. In the last three years I know there have been considerable improvements in the consideration of the act and improved liaison between the Unemployment Insurance Commission and the Canada Manpower division of the Department of Manpower and Immigration. There are now better procedures, however, to ensure that persons receiving unemployment insurance benefits are made aware of and are given the option of suitable job opportunities as early as possible. The commission has developed an active job search program. This means that persons in receipt of benefits must prove they are making reasonable and customary efforts to find jobs during the time they are receiving the benefits.

There have been improvements in the administration of the program, but I do not believe the minister should be sanguine or content or overly satisfied with the administrative application of this program. My concern is not for the basis of the program, which I support entirely. My concern is that since such a large proportion of public funds is involved, the program should be operated with the utmost efficiency. Those who are not entitled to benefits under the program should not receive them: public support for the program will thus be maintained.

I think it is a necessary program and we must maintain its credibility. That can be done through effective enforcement of the present procedures and the steps the minister has shown he is prepared to take to dissuade those who might feel they can get away with ripping off such a program.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, I have listened with keen interest to the debate thus far. While it is obvious that there are some problems with the suggested amendments, as referred to by many members, particularly from this side of the House, I should like to address myself to the few points relating to some amendments which should have been included in the bill but for some reason were not.

I refer to the inequities which have always existed in the Unemployment Insurance Act as related to fishermen. To me, it is entirely inexcusable that after so very many promises made over the past few years to bring in an income support program for fishermen, there is still no sign of anything realistic happening in this area. Until the government comes up with that type of income support program, interim amendments should be introduced to satisfy the needs of the fishermen and to overcome the inequities and discrimination which exist in the present act. The only reference to fishermen that I have found is contained in the information papers on Bill C-69, issued by the minister, dealing with the exclusion of fishermen from the general rule of employer-employee relationships. Unfortunately, this is always the case and is always referred to.

If I may digress for a moment, Madam Speaker, I wonder why a clear definition cannot be made between a fisherman employer and an employee. When is a fisherman going to get equal consideration with others in the work force? It is true that a fisherman who owns a longliner and his sharemen can be considered as self-employed, but in the general rule the act is discriminatory toward those who contribute. If the department respon-

sible, and the Department of National Revenue, consider fishermen eligible to pay premiums, then surely they should be entitled to equal benefits.

Many suggestions have been made along the following lines from interested parties in all areas of the country: One is that fishermen would be eligible on the same basis as at present, that is, with eight weekly contributions. However, eight contributions entitle fishermen to benefits for 12 weeks. Each additional week of contributions should entitle a fisherman to 1½ weeks of benefits, to a maximum of 24 weeks. The period of eligibility should be extended by two months. This would give the fishermen greater flexibility in determining when they would draw benefits, and would be more realistic in view of the fact that the normal fishing season varies in different parts of the country, particularly in the province of Newfoundland. The amount of benefits should be calculated by averaging all weekly contributions, and trawler fishermen should be placed on the same basis as regular employees. At the present time, claims may be established between the week in which December 1 falls and the week in which May 15 falls, and the benefit period runs from the week in which the claim is established to the week in which May 15 next falls, unless benefits are exhausted at an earlier date.

● (1650)

We have been told time and time again that an income support program will be forthcoming. This process even went to the extent that early in 1974 the previous minister of the environment, the Hon. Jack Davis, wrote to provincial ministers asking for their views on the contemplated income support program. In their reply, the Newfoundland government urged the implementation of the program to be no later than the start of the fishing season in 1975, and requested that they be involved in formulating the administrative and implementation details.

The province recommended that in the event of a delay certain changes should be introduced in the intervening period. Further, they suggested modifications which were compatible with the proposed income support program and their adoption of it. They suggested that this would ease the transition from the unemployment insurance program to the income support scheme, as follows. The effect of adopting their suggestions would be to increase the flexibility of the defined employment and benefit periods. They stated that current definitions are too rigid and preclude consideration of the variability of local fishing seasons. It was suggested that the beginning and end of the fishing season should be determined each year and for each geographic zone on the basis of weather and ice conditions in each zone. The length of the fishing season could be determined jointly with the federal Department of Fisheries after consultation with local fishermen, union officials and members of the industry. The method for determining the number of benefit weeks should be the same for fishermen as for regular claimants. The rule that the total number of benefit weeks cannot exceed five-sixths of the insured employment period should therefore be eliminated. The only limitation should be this, that no benefits may be paid to any fishermen in any zone during the defined fishing season in that zone.

I suggest that the limit of $170 per week on a fisherman's maximum insured earnings should also be eliminated. Currently, maximum insurable earnings are determined on a weekly and annual basis. I think the figure used for an annual basis is $8,840. Fishing income is highly variable, and if a fisherman is lucky he can earn $2,000 in a couple of weeks. But only $340 of the sum earned in two weeks is counted as insurable earnings. This inequity, under which the extra amount earned is excluded, should be corrected because the fisherman might earn no more for the rest of the year. That amount may represent his total earnings for the year.

So, here we are, almost at the end of 1975, still lacking income support legislation. The minister indicated that legislation would soon be introduced to provide for an income support program. I only hope that this will happen. If it does not, I suggest that it is incumbent on the Minister of Manpower and Immigration (Mr. Andras), who is responsible for unemployment insurance matters, to amend Bill C-69 in the way I have suggested. There is still opportunity for him to introduce such amendments.

The other point I want to make concerns discrimination against women in the fishing industry. In this regard, it is obvious that those responsible for the equality of status of women have completely missed evidence of discrimination against women who are or can be employed in the fishing industry. The Unemployment Insurance Act discriminates in its provision for benefits. Why do I say that? At certain times of the year, certain species of fish are in abundance. Then, manpower on an emergency basis is needed to process certain delicate species such as scallops.

To illustrate the disparity, let me refer to an incident which took place in a remote area of Newfoundland. In order to process the scallops, manpower is needed. Naturally, the people of the area found it impossible to contact a Manpower centre 200 or 300 miles away in order to apply for personnel for processing the scallops. Therefore, it naturally fell on the fishermen to hire their families and wives. Before doing so, they checked with the Department of National Revenue and were told by an official that they could not hire their wives. A fisherman could only hire his neighbour's wife. In turn, that neighbour could hire the fisherman's own wife. The people of the area accepted this decision made by a responsible official, but the decision was overruled by superiors. The result was overpayments of UIC benefits to many individuals, to say nothing of the resulting embarrassment and financial difficulties.

This situation has continued for almost two years and stems from ridiculous regulations which neither the UIC nor the Department of National Revenue can reconcile, despite their supposed expertise. As I say, no attempt has been made to clarify this predicament or to correct the regulations. Neither was any reference made to this inequity in Bill C-16. I suggest that an amendment to Bill C-16 could have corrected the situation. I only hope that the ministers responsible will address themselves to this serious discrepancy and I hope the government will act to wipe out overpayments made to the innocent victims concerned.

May I comment on the bill itself, Madam Speaker? I think the minister should be taking a harder look at the uniformity with which the regulations are applied, particularly in view of varying conditions existing in different regions of the country, conditions to do with the

geographic, economic and social situation of the area concerned. Certainly, the number of grievances with which members of parliament are daily inundated should indicate that something is wrong with the system. For example, I ask the minister to refer to section 39 of the act, which authorizes the commission to refer claimants to approved courses of instruction and to waive the requirement for the claimant to be capable of and available for work while attending the course. At present, an individual who earnestly takes any kind of job, then applies for and is accepted in a government-sponsored course of instruction which will enable him to better himself and upgrade his capabilities in trade, is bound by the present regulations and must waive his claim for assistance. This is particularly true of students who must attend a provincially-sponsored course. Hardship is created because pay is so minuscule that the student cannot even meet minimum living standards. My point is that the commission is therefore hindering the initiative of the individual.

The minister should also consider and explain something else. If it is the aim of his department to help people to upgrade their ability to enter the work force and thus ensure a reduction in the unemployment rate, why has the minister seen fit in the past few years to reduce drastically the number of Manpower seats purchased in vocational and training schools in some parts of Canada? The minister should also take a good look at some of the conditions students must contend with because of the low rates paid to them under provincial rates of pay while they undergo course training.

Another inequity arises under section 25 of the act, which requires the claimant to be capable of, available for and actively seeking work. Let me give you an example of a ridiculous situation in order to demonstrate this hypocrisy. A partially blind citizen of my district was working in a restaurant and had to leave because her husband became sick and required care. When she applied for benefits she was turned down because it was deemed that because of blindness she was not capable of working in a restaurant—even though she had performed her duties for months to the satisfaction of her employer. Similarly, claimants living in isolated areas are disqualified from benefits if they refuse to take a job miles away from where they live. In such cases, after they pay for their travels to and from work, for board, etc., it costs them more to work than it would cost to stay at home or if they did not work. Yet the present system disqualifies them from benefits under the "just cause for refusing to work" provision.

Those examples indicate the weakness in our system, the inflexibility and the lack of individual attention paid by those responsible to Canadians who most need that individual attention. Under the present bill, the government can do whatever it wants with regard to increasing disqualification periods. It can put all it wants into the act on disentitlement. It can put in all the benefit control system it wants. They can keep adding new clauses. They can refer to just causes all they want; but the just causes have to be just, and at present it is obvious that they are not.

● (1700)

I was a bit surprised to read in the report of the advisory committee that they were satisfied the benefit control system was working well. I was even more surprised with the evidence presented by officials of the head office that the benefit control system was working to the benefit of the claimant. This statement of fact indicates a complete lack of recognition of the countless hundreds of thousands of grievances submitted to me and other members of parliament. It proves my point that it is useless to write to the commissioner to inquire into a claim that has been adjudicated against a claimant at the lower level.

It is useless for claimants to appeal their cases. I venture to say that in 99 per cent of the cases—and I am only using a rough figure—the decisions of the local office are turned down. I would like to know the percentage of cases submitted for appeal that were judged in favour of the client, compared with the percentage against.

It is obvious that the purpose of Bill C-69 is to stop the runaway costs of unemployment insurance. It was recently pointed out by a responsible official of an interested group that it is almost impossible to imagine that the cost of our Canadian system is almost equal to that of the United States. When one compares the population figures, something has to be wrong.

It is true, and everyone is aware of this, that as a result of the inefficiency of those responsible for designing the act, rip-offs are occurring. What is really happening is that in the confusion and attempts of the unemployment insurance commission to correct their projections, as pointed out by the hon. member for Hamilton West (Mr. Alexander), costs have gone beyond the capability of the imagination as to how anyone responsible can be so inadequate that the stopgap measures introduced are hurting the innocent.

To emphasize this point, I refer to the amendment which discriminates against senior citizens and the indignity it inflicts. The government is really saying to those aged 65, "You had better quit working now. You had better stop contributing to Canada. Just stop what you are doing and get out of the mainstream of opportunity, because we do not need you any more. Even though you have been contributing to society and unemployment insurance for many years, we are going to give you $129.28 a month or, if you have a wife and are in need, $419.62 a month." The government thanks them for the contribution and then tells them to get out of the way. For someone receiving a Canada Pension Plan benefit, this is deducted from the amount he is eligible to receive.

I realize that the minister has a tough job to do as a result of the Unemployment Insurance Act that has been developed over the years. He has the important job of having to correct the inequities. I sympathize with him. However, it is surely inexcusable that in his thrust to stop the runaway and rampant cost increases, the low income earner, the underemployed and the aged should be the ones to suffer most. I feel the minister is doing his best and is as concerned as myself and other members about the hurt that will be inflicted on the innocent as a result of the jungle of inequities that exists.

I hope that the referral of the bill at the committee stage, and the subjective and responsible criticisms that have been offered during the second reading debate, will give the minister an opportunity to reflect on those inequities, and that he will consider and introduce further

amendments to produce a corrected bill on third reading which will be fair and just to all Canadians.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for High Park-Humber Valley (Mr. Jelinek)—Olympic Games—Request for assurance medallions minted in Canada; the hon. member for Surrey-White Rock (Mr. Friesen)—Transport—Date of implementation of recommendation that commission ports give grants in lieu of taxes; the hon. member for Pembina (Mr. Elzinga)—Grain—Allegation Wheat Board puts exports grain in non-board category and distributes to eastern farmers but not western farmers.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, I appreciate the opportunity to speak in this debate concerning an issue that has been very much to the fore in the last two federal election campaigns. Just a week or two ago someone said it was the politicians who made the Unemployment Insurance Commission an issue in the 1972 campaign. From my experience, I would totally reject that remark. It was made an issue by the people involved. Anyone who was a candidate in the 1972 campaign in the constituency that I represent could not avoid hearing about the Unemployment Insurance Commission and the problems it created. Every time one stopped at a business that was run by a small operator, be it a gas station, restaurant or motel, one had the proprietor of the business crying on his shoulder by the hour about the problems being created for him by the methods and means adopted by the Unemployment Insurance Commission.

As I listened to them throughout that campaign, I realized this was one of the issues that would give the Progressive Conservative Party considerable impetus in the west. As it turned out, it did. Speaking from our own point of view, it was unfortunate that in the subsequent

election of 1974 some of the attention was diverted from that issue to the one that has just been before the House in a rather ironic fashion, namely wage and price controls.

The people about whom I am talking, the class of small entrepreneurs, are seldom given credit by this government for the role they play. Unemployment insurance as it has been constituted in this country has made their role even more difficult. They serve a very useful training function, not as part of any subsidized school system, provincial or federal, but simply as people in small towns, villages and communities who hire local young people to work for them. In the course of that first or second job, these people are trained to function in a gas station, wait at table in a restaurant, or take care of a motel. One of the great frustrations of these entrepreneurs is that following the eight-week training period, the trainee immediately—or soon after—leaves the job, not because he has become terribly efficient at it but to draw unemployment insurance. That is one of the examples I had repeated to me over and over again during that campaign. As one restaurant operator explained to me, it means the loss of full-time jobs for adults who could be employed full time.

● (1710)

One thing many of these operators have learned is to hire high school students to work part time, because they can keep high school students for two years until they graduate from school to continue their education elsewhere or take jobs with the permanent labour force. They get more out of the training period that way than by hiring employees full-time, only to see them ready to leave after a short while.

One of the reasons I heard a great deal about the more pressing problems connected with unemployment insurance is that my own constituency is one of those gloriously beautiful mountain constituencies embracing some of the finest scenery to be found anywhere in the world. A common complaint made to me concerned the skiing holiday. A person would work half the year, or two-thirds of the year and then, when the snow on the mountains became deep enough to provide good skiing, would leave his or her job and finance his skiing through the Unemployment Insurance Commission, returning to work some time in the spring or when the payments ran out. The skiing holiday paid for by the UIC is something I heard about over and over again. One begins by discounting stories of this kind, thinking them to be invented or exaggerated. But when you hear them over and over again from a variety of ski areas and from people who feel very strongly about these circumstances, you realize they are a key factor in the whole picture.

I shall not comment further on the cost factors involved in this scheme. There has, surely, been an enormous temptation built in to quit a job or to refuse a job which has been offered. It seems to me that a course which ought to be taken and which might return to the Unemployment Insurance Commission a much needed sense of discipline lies in extending the period of time for which a person must work in order to establish eligibility. In recent years we have seen an erosion of the kind of restraint, discipline and loyalty in a work force which used to be an important part of job holding.

I feel that various programs established by the government opposite have contributed to this lack of restraint, this lack of discipline. Too much money has been made available too easily to people in this country. When the decision was made to alter the nature of the unemployment insurance scheme, making it a kind of guaranteed annual income or a scheme for the redistribution of income, both the scheme and the country were in trouble.

There is one group of people in particular to whom I should like to make reference, because even as one criticizes the scheme for being too easy and for permitting people who have worked for only a short period of time to draw benefit for extremely long periods, one must have regard for cases brought to one's attention where real injustice is done to certain people who find themselves disqualified although they know they are entitled to benefit. I am thinking particularly about the older woman, the long-time faithful employee, the one who has never drawn unemployment insurance in her life, the one who has not quit, who has been loyal, who has worked 10, 20 or 25 years, who is laid off through no fault of her own and who finds herself disentitled while knowing from her own experience that others who learned early how to make the system work have been drawing benefits annually or biannually, year after year—they have made a business of getting something out of the scheme.

The older woman I have in mind, brought up in a generation which possessed a somewhat deeper sense of responsibility, a somewhat greater degree of independence, has refused to take advantage of her situation, feeling there would be something wrong about doing so, only to find, in her time of need, when she was laid off and when the reward for being faithful should come to her, that there was really no insurance aspect about the scheme at all. She had merely been paying another tax all those years, a tax that returned nothing except the knowledge that virtue was its own reward in the unemployment insurance business as in other areas of life.

There are certain things I feel the department should not do. It should not promote the break-up of marriages, particularly long-term marriages. It is a common thing in our society for wives to live longer than their husbands and for husbands to retire before their wives are eligible for old age security pensions or retirement pensions. Also, it is a common feature of retirement for families to make a move, often a move from our crowded cities to the countryside or to the smaller towns. Working wives in this position resent the letters they receive telling them they are unemployed voluntarily. And so do I. It seems to me that short of separation or divorce, such a move cannot be avoided by them; it is not the result of any frivolous choice, nor has a job held for a long time been given up as a result of a mere whim. There is too much involved here for the department to put itself in the position of forcing or promoting separation.

● (1720)

Neither should the department involve itself in depopulating small towns. This is something that has been decried in this country for many years. I know it is a natural trend for people today to leave our small centres and go to urban areas, but we do not need any incentive to do so from the Unemployment Insurance Commission. Both sexes do this, but particularly women in small towns who find themselves unemployed, again through no fault of their own, who apply and are disentitled because they are not prepared to move long distances and resettle in a larger centre. It seems to me they are entitled to some pay-out, having contributed to what is supposed to be an insurance scheme for them.

The Unemployment Insurance Commission should not confuse the search for work with work itself. I find this sort of confusion very prevalent, particularly in the attitude to women who lose their jobs and place their names with Manpower—perhaps there is a certain humour there. These women feel that this should count for something. They search for work with which they are familiar but they are unable to find any, and at that time they become disentitled because they are told that their search has been inadequate.

One case that comes most forcefully to mind concerned someone who was 59 years of age and who had worked in one job for many years. She went to all the equivalent employers in town searching for work, without success. She placed her name with Manpower but was told she had not done enough. She then went through an extended period of time walking up and down the main street of town presenting herself to potential employers. She was in the position of having to tell them that she was 59 years of age but knew nothing about any job they might have. At that point her chances were zero, and the Manpower department knew it. Nevertheless, what they said to her, in effect, was this, "We won't pay you unemployment insurance but we will pay you for the hours that you march up and down the street"—in, of course, a vain search for work. They said, "If you put in enough time, we might consider giving you an entitlement". I feel that kind of treatment is inequitable. It is not the kind of complaint that is made to me by a male worker; it is particularly a feminine problem.

They should not force an applicant into accepting a job below the minimum wage and then disentitle him or her because that job is turned down. I am not a proponent, and never have been, of high minimum wages, and I realize the subject of minimum wages is a sort of sacred cow of our economic system. One does not talk about them much, but if we are going to have them, they must mean something. It seems to me that one of the ultimate indignities to inflict on any woman seeking a job and who turns one down because it pays below the minimum wage is for her then to receive a letter from an official of the UIC telling her that that is the reason she is being disentitled from payments that are hers.

I listened to the speech made last night by the hon. member for Skeena (Mrs. Campagnolo) and was disappointed that she did not apply herself to the sort of problem that has been brought to my attention and, I am sure, to the attention of members right across the country. I utterly reject the kind of letter sent by the minister's department stating that an insurance principle is involved here; that when a person contributes to unemployment insurance he is buying a year's insurance, that it is like term insurance with no carry over. I do not follow that reasoning and cannot accept it.

Term or fire insurance have certain specialties about them. For one thing, they are not compulsory, nobody has

to buy life insurance or term insurance. You do not have to have fire insurance on your building. You take a chance; if the building burns down you do not collect any insurance. One thing about life insurance, term insurance or any other kind of life insurance is that you collect it only once. But I do not accept that a woman who has paid into a compulsory scheme for 24 years should be told that she cannot collect because there is an insurance principle involved and that she has voluntarily put herself into a position where she cannot find work. She is then at the point when she needs insurance for the very first time, yet when she needs it the most she finds that for her there is no insurance.

In many occupations, sick leave is allowed to accumulate. Then at the end of 35 or 40 years of faithful service, recognition is given that sick leave in the form of a bonus on retirement. I am sure all hon. members know that unemployment insurance is sometimes paid out at the end of a long period as a kind of retirement gift.

I am pleased to see that women are now more militant than they were, but they need to be a lot more militant. I found, when in this House seven years ago, that it was almost impossible to get a woman to take her case to the appeal board. They deemed it an example of throwing good money after bad. Very often a very long trip was involved if a woman did not want to hire a lawyer to present her case for her, or could not afford to do so. She would hear from others that it was a hopeless cause anyway, that she would not get anything even if she did appeal, and as a result it was very difficult to persuade a woman to take her case to the first board of appeal.

I am very happy to see that women are now more prepared to appeal their case, but even so there are problems. In addition, I am concerned about the number of women who sit on appeal boards across the country; the women still tend to get turned down pretty regularly. During the summer recess I was talking to one woman who had written to me and told me she had been reinstated. She said there were at least six others in the same position but they would not appeal their case, so I suspect that those who do appeal are just the tip of the iceberg. The problem is that once the appeal has gone against them, they cannot take the matter to the umpire because the only person who can pass the appeal on is the chairman of the very board that turned the appeal down. I find such people are very reluctant to send to the umpire a case on which they have given a negative ruling. It seems to me there could be some reform undertaken there which would make the umpire more truly an umpire than that official is at the present time.

● (1730)

There is another area on which I should like to spend a little time. It is a little different than what I have been discussing. I listened with interest last evening as the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Portelance) spoke. He talked about the decision to take anyone over age 65 out of the scheme altogether. The excuse he gave is most interesting. As recorded at page 8593 of *Hansard* he mentioned there are other programs for elderly people, and then said:

> Considering all those improvements, the programs would unnecessarily overlap if persons having age 65 were still covered by the unemployment insurance plan.

That is a laugh. At one time Manpower and the UIC were one. The decision was made in the 27th Parliament to divorce the two. If there are any bureaux or offices which overlap they are the Manpower offices and the Unemployment Insurance Commission. If the Unemployment Insurance Commission is so concerned about overlapping then I suggest action be taken, as quickly as possible, to put the two parts of what should be one body back together again. That would end the overlap that is there.

It might also end the other factor where a person who puts his or her name in at the Manpower office, assuming that has some meaning, finds that not even the Unemployment Insurance Commission pays any attention to that. The woman who puts her name in at the Manpower office is told that her search for work is inadequate. This is one of the scandals in the way the Manpower offices and Unemployment Insurance Commission offices operate at the present time. So, I find it all a little amusing when the parliamentary secretary refers to an overlapping. The only thing which counts these days at a time of double digit inflation in Canada when one is over 65 is dollars and cents.

I would like to know, and I would like to know if the department knows, whether the senior citizens of 65 years of age will be better off by this change. That is the only argument to justify it. We need some figures to tell us whether that is true.

I can well believe the second part of the parliamentary secretary's speech when he said it is almost impossible to apply effectively the provisions of the law pertaining to availability and active search for a job to persons of that age since a great many of them are no longer members of the labour force. That goes along with the argument I presented earlier. I contend that that sentence has been applied by the Unemployment Insurance Commission for a very long time to the woman between age 55 and age 65. She is the one who has found it almost impossible to convince the commission that she is part of the labour force any longer. God knows, if the fact that she is in that age category is a problem, then the problem for those over age 65 must be almost insurmountable. One thing which may make it easier for them might be an extension in the period required for eligibility because that extension would show their connection to the labour force more clearly than anything else.

There is another thing about which I wonder. What would happen to the employer who employs only people over age 65? Would he or she be freed of the obligation of paying anything into the unemployment insurance scheme, and how long could that employer function? I am sure there are many employers who could get along very nicely for long periods with a staff composed entirely of people over age 65. The savings to them in not having to contribute anything to the scheme would be significant. I should like to know whether any thought has been given to that. These days one knows that the margin between profit and loss for a great many businesses, especially small businesses, is not the market but rather the government and its various forms of taxation required of companies.

I think I would have more respect for the parliamentary secretary if he had said in his remarks that this action had to be taken to make those people over age 65 more employable by offering that sort of negative bonus to anyone who employed them, since they would no longer have to continue any share to the UIC. If that was the reason behind it, it would make some sense. However, if it is the other way arround and the real reason is to divorce them further from any hope of being hired, and in effect they are being told they should not clutter up the employment picture and should not cause headaches to the UIC in determining whether or not they are truly part of the work force, that would really be a negative aspect of this part of the bill because, it seems to me, that if we can encourage our senior citizens to function normally and usefully in our society we should do so.

I should like to have a clear explanation of the reasons. I should like to hear the minister, or someone from his department, tell me that this change will mean more money in the hands of people over age 65, because if it means there will be less for them, this is not the time to introduce that step since inflation has eroded the position of these people to a very great extent, and there are too many of them who for too long have paid the price of inflation.

So, Madam Speaker, while there are some parts of this bill which meet with approval it is not the total second look at the Unemployment Insurance Commission that this party promised during the last election campaign. That was one of the issues on which we campaigned. Were we elected there would be a total review by a royal commission, I believe, of the Unemployment Insurance Commission. That is what I believe is needed at the present time, a very serious and a very top level lengthy re-thinking of the whole matter so that representations could be heard from anyone with an interest in it, and so that there could be representations from women's groups, senior citizens, and the working men of this country.

I have a feeling that what we are doing now is tinkering with the scheme, and that the effect of the passage of this bill will be not to improve the scheme but rather to work hardships on some of the people who can least afford to have any more hardship thrust upon them.

● (1740)

Mr. Arnold Peters (Timiskaming): Madam Speaker, I was very interested in the speech made by the minister as well as in the speech of the hon. member who is the candidate for the Ontario Liberal leadership, and I was particularly interested in the simple facts which both stressed and the others which they overlooked. They stressed the abuses of the Unemployment Insurance Act and the fact that the government has had to make payments in excess of what was necessary, and so they wanted to strengthen the benefit control section.

Yet the minister, in talking about this bill, never referred to the fact that 4 per cent unemployment is totally unacceptable to the majority of thinking Canadians, and that probably even 2 per cent unemployment would be a higher unemployment rate in Canada than most people would want to accept. What the minister said in effect was that because the government has not been able to provide employment for Canadians, it wants to divest itself of this responsibility and lay it on the shoulders of the working people and of the employers, with the result that unemployment will probably be raised to 6 per cent. This year it will be around 5 per cent, but with the record of this government it is foreseeable that it will be 6 per cent or 7 per cent, and that it will continue to grow.

That is really what we should be talking about, namely, what we should do to solve the problems of the Unemployment Insurance Commission. The easiest way to solve these problems is to provide employment for all Canadians. The people in my area are no different from the people in the minister's area. His people also are unemployed seasonally and are not able to find full employment. They look to unemployment insurance as a stopgap because the government has not been fair to them in providing a climate of full employment. When there are jobs, they work; when there are no jobs they would like to get some assistance, but they do not want that assistance to be paid entirely to them; they want all the people of the country to share in the responsibility.

We considered that it was a complete distortion of the principle to have the floor based on 4 per cent unemployment, and now the minister has based it on a sliding scale so that there is no incentive to stop unemployment from growing, and no incentive for the government to provide full employment.

We hear members saying that there are abuses of the Unemployment Insurance Act. Sure there are abuses. There are abuses among my constituents in Timiskaming, although not many. There have been some frauds that have been reported, and action has been taken on them. I am sure the same is true in the riding of my colleague, the hon. member for Nickel Belt (Mr. Rodriguez), and even in the minister's own riding in northern Ontario, but what prospects do we have as Canadians?

A question was asked this afternoon in the House about the six Canadians who reportedly stole $4 million and are now enjoying themselves in the sunshine. Is the government worried about that? Has it sent anyone down to try to do anything about that? No, but it would surely send someone 200 or 300 miles to Timiskaming, Thunder Bay, or Geraldton, or any of these places in the hinterland, to look for some little guy who may have taken three days off to go hunting when he was supposed to be looking for work. When it is all settled, they will take away from him unemployment insurance for the three days, and then they will find out he was looking for work on the other days.

No one considers the cost of having a benefit control officer travel 200 or 300 miles and of his being wined and dined. He may be away two or three days and then he may have a great report written up when he comes back, because many places to which he went are hardly on the map and he has never been there before, but he has been wined and dined at the expense of the taxpayers. I have had difficulty myself in getting to some of these places on occasion.

There are many roads around there and many communities in the bush area where roads go in all directions. You can drive for five or six miles and finally see the same shack or the same building, and then you know you are going around in circles. There are no real roads in these

areas, but the benefit control officer will try to go there to catch a person and then find he is not able to look after himself. But everybody is quite proud of him. The minister has mentioned that there have been 250,000 disqualifications out of ten million claims. Is that very many?

Mr. Andras: It is two million.

Mr. Peters: Let us say it is two million, although I doubt whether the minister is right. In my opinion there are not that many disqualifications because it is a simple fact about unemployment insurance that those who continue to abuse the system know the rules and do not get into any trouble.

The previous hon. member who spoke referred to a lady who went down the street to every place on the street asking for a job although she knew she was not employable in that community and she knew every job available there. After she had gone 10 or 12 times to the same employers asking them for a job, which they had already told her they did not have, she knew there was nothing more to do and that she could not get a job even if these employers needed someone. That is a fact.

Our bureaucracy is stupid because the officials know all about this, and the commission has been told about this many times. They know they could telephone Manpower and find out if there are any jobs in Geraldton for a woman who had been employed for a considerable period of time in the office of the local lumber company and was then laid off. They would know there are no jobs for women in that category in Geraldton. They do not need to have her traipse around to a hotel looking for the job of a waitress because those jobs are also filled. Yet they still disqualify her if she has not gone to five or six places in that week looking for a job, although she knows there is no job for her there, and the stupid officials know that also.

Everyone involved knows that, and yet they continue to say she has to go to these six places again. Quite often they are so dumb that they will telephone to ask if she has been to a certain place. We should not treat people who are looking for work as if they had no brains at all, and yet that is what these officials do. We really do not do much for them as a government either when we say to people they have to look for a job in a certain area even though Manpower says there is no work there.

The previous speaker mentioned—and perhaps the minister was not listening so I will repeat it—that one of the things that the minister must do if he is going to do anything to improve the unemployment situation, to improve the functioning of the Unemployment Insurance Commission, and to improve the functioning of Manpower, is to put those two agencies together. The present minister without portfolio (Mr. Marchand) is the cause of the division of these departments. At one time he had one of the departments under him and he did not want the other one, so they broke them up and created a new department. That department should never have been broken up.

I remember going to the offices in the old set-up. One went to one side—perhaps the minister knows this, but if he does not I will repeat it—if you were looking for a job, and if you could not find it you went over to the other side where they accepted your application for benefits and where they paid you your benefits. The next week you would be back looking for a job there, and if there were no jobs the same people who were handling both divisions would speak to each other and know what your situation was, so one hand knew what the other was doing. When the departments were divided, orders were given that the officials should not talk to each other. Manpower was not to help fill out an unemployment insurance form. Unemployment Insurance was to have nothing to do with employment.

● (1750)

What has happened? The minister knows what the problem is because he has played around with the hiring set up, and he has in fact placed a number of people. I believe he said the other day that his department, through unemployment insurance, had placed 45,000 people in jobs. I give him full credit for doing that, but the minister will have failed the Canadian people, those looking for jobs and those who apply for benefits, if he does not unite those two functions and connect the person who is looking for benefits with the agency which can supply him with a job or inform him that there are no jobs available. If there are no jobs available, he should receive benefits. If there are jobs, then he should take a job.

We are not interested in defending people who abuse the system, but we are less interested in defending a system which is stupid, and the system is often plain stupid. One of the reasons why I say that is that we, as members of parliament, know particular areas, the peculiarities of particular communities, the employment picture in those communities, and the transportation facilities. When we bring that information to the insurance appeal officer after a case has gone through the appeal structure and all of the crap that it must go through, and he has that new information, he makes the right decision and the person is reinstated.

This raises the whole problem of appeals. A person appealing without the help of a union, some other official, a lawyer, or a member of parliament, cannot go to a tribunal with any hope of winning his case. If he could, all he would need to do is write out the reason why he thinks he should not be disqualified. That is sent to the insurance officer who considers it, and if that information is sufficient to override the information which warranted the disqualification, he will cancel it.

I can honestly say that in my years of dealing with unemployment insurance, and particularly in the last seven or eight years, I have developed a great respect for the insurance officers of the Unemployment Insurance Commission. I have seldom seen information given to an insurance officer when it came through on appeal, or when it became public information at a hearing, which would have justified a decision other than the decision made by the insurance officer.

I wrote a letter to a judge some time ago, to which I did not receive a reply. He was on a tribunal, and I told him what I thought of him and the system because he simply sat on that tribunal and endorsed the decision which had been made, without any means of deciding whether the claimant had any justification for appealing his disqualification. The claimant had no ability to appeal. He just said that he was entitled and therefore appealed, and the judge

took that and made his decision on it. He is dishonest and could not possibly be a judge. How can one judge after hearing only one side of a case?

We have discussed this with the chairman of the commission, and he is quite interested in setting up an appellate agency. I am not in favour of setting it up on a legal basis where there are lawyers involved, but I believe that if we have the money to send out a benefit control officer to disadvantage a claimant further when the claimant feels he has already been treated unjustly and unfairly, the tribunal should at least have the right to send out an official to ask the claimant on what basis he believes he was unjustly treated so that on that basis it can be decided whether the claimant is entitled to transportation, whether he has been looking for work, or whether there should be someone to care of the claimant's baby if it is a maternity benefit. Surely it is not asking too much for that judge, who says he is an honourable person, to hear the claimant's side of the story.

The minister is doing a great job. He has provided for transportation, but transportation is not really important. Why should claimants go through the process of sitting in Sudbury all day, driving 250 miles, perhaps staying in a hotel room, and listening to many cases which he cannot understand? The procedure was very formal when I was there, and very like a courtroom. They might as well wear gowns and wigs. Obviously there are people there asking nasty questions with a view to calling claimants liars because they have already been disqualified. The claimant has already met the benefit control officer, and that is enough of an experience for most people.

We have been through this before. Everyone knows that this tribunal is a farce. Going to an umpire should not be allowed unless it is on a case of law. I do not think there should be an appeal unless there is an allegation of dishonesty. I am not prepared to say that there is dishonesty. I think these people are incompetent, but I do not think they are dishonest.

I will say to the whole country that I think the labour representatives on most of the tribunals are a damned disgrace; that they do not represent the claimant any better than the employer, and in some cases are worse than the company. They become part of that little club. They meet every few days, and have nice little meetings. I know some of these people personally. I worked with some of them, I was in the same union with some of them, and I have told them that I think it is a disgrace. They do not ask questions which should be asked, on behalf of the claimant, even when the claimant is there. Madam Speaker, may I call it six o'clock?

The Acting Speaker (Mrs. Morin): It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Peters.]

Mr. Peters: Mr. Speaker, before the supper hour I was raising with the minister the problems we are having in relation to appeals and the appeal tribunal. I tried to make the point that I have tried to make in the last number of years since unemployment insurance was separated from the national employment agency. I think most people will agree that there was a good deal of merit in the procedure when one went and reported to the employment agency and asked for a job. If no job was available you just went over to the other side and collected your benefits. There was a very clear relationship between the job market and the availability of benefits.

The system we have now hardly takes the employment agency into consideration, and while it is true that in order to draw unemployment insurance benefits you must be registered with Manpower there does not seem to be any relationship between the functions of paying benefits and providing employment.

We have had seven or eight years to see the mistakes that arose from separating our employment policy and our unemployment insurance benefits. It seems to me that the minister has an obligation to consider what the public believes to be an abuse when the person drawing benefits is not really looking for work. The system reflects detrimentally on the rural areas, particularly those where no employment is available. It is foolish to disqualify people on the basis that they are not actively seeking work when they know full well that there is no work.

Two clauses in the present bill will have to be given a new interpretation. One of them is "just cause"—I think the minister referred to it as "good reason". Just cause has not been interpreted as a simple, good reason. The application has been very strict and very detrimental, and many people seeking unemployment insurance benefits are being hurt.

The second problem arises with the average person who says that the people drawing benefits are not looking for work. An argument used by many small employers is that they cannot afford to hire anybody because the unemployment insurance benefits are too high. I think the minister has an obligation to see that the minimum wage paid for menial jobs and unorganized occupations is at least as high as unemployment insurance benefits. In many cases there is the legitimate complaint that people will not work in a certain plant because they can draw more from unemployment insurance benefits than they would earn. I do not think unemployment insurance should pay more than the minimum wage, and in a modern society the obvious solution to that problem is to increase the minimum wage to compare favourably with unemployment insurance benefits.

There was a former member of this House who never impressed me very much until I heard him explain unemployment insurance one night, and that was the late Joe Habel. He said that if you paid insurance on your car for 20 or 30 years as he had, and never collected on it, that was a good thing because it meant you never had an accident. Using that principle, if you pay unemployment insurance and do not collect, that means you have never been unemployed. From my point of view that is an ideal condition.

To reduce the age to 65 is commendable, but it raises a number of problems. I have talked to a number of people

who work for the railroad and in other places and who face mandatory retirement at 65 even though their physical or mental condition does not really require it. They can work and want to work. They know nothing else.

● (2010)

I suggest that the minister and the department will need to consider the question of retirement itself. In this country there are no federal or provincial programs to qualify people for retirement. In future people will not retire at age 65. Retirement age will be reduced to age 60, and even lower, as automation and computers play an ever larger role in our lives. No longer will people work from the age of 14 or 15 until 70 or 75. They will enter the labour force in their 20's and retire at 60. Unless they retire early other people who want to enter the labour market will not find jobs. Therefore we must create programs which will train people for retirement.

Interestingly, railroaders retire at age 65, but, on average, live no more than two years after retirement. One day they are operating the train on the run they have known all their working lives, and the next day they are retired with nothing to do. I think it is wrong to cut off unemployment insurance benefits at age 65. Under this legislation, it will become mandatory for people to retire at age 65.

It is no good telling any man to retire if you have not introduced some kind of program which will train him for his retirement and allow him to pursue some interest, some hobby or recreational activity which will occupy his time. I suppose railroaders are a particular group, as they sleep and eat at odd hours, knowing they can be called at any time of day or night. They have so many hours to reply to the call, or book off sick; otherwise they must work. Their lifestyle does not allow for social activities of the sort enjoyed by people with normal working hours. Consequently retirement weighs more heavily on them than it does on others. One can see that we are creating great difficulties if we insist on retiring people at age 65.

An hon. Member: Right on.

Mr. Peters: I believe we are obligated to train people for retirement, to allow them to pursue meaningful activities. Yet really this bill says that after age 65 you are no longer on the labour market. Clearly we must help people who must retire because of age but whose physical and mental condition enables them to go on working. The bill says that they are not entitled to unemployment insurance after age 65. We must remember that not all people who reach 65 or 70 want to retire. Some find it difficult to retire. For that reason the government must act. So far it has lacked the courage or desire to institute training programs which will help people in their retirement.

May I now say a word about manpower programs. I remember a program known as program 5 under which people could train for various occupations, and the standards were applied nationally. Training was provided with a view to employment, beginning often at high school level. The program continued in that manner until Quebec kicked up a fuss about control, as it was entitled to do under the constitution.

As I say, the standards applying to subjects taught under program 5 applied right across the country. That meant that if you trained as a plumber in Ontario, you could work as as a plumber in British Columbia, Nova Scotia, or pretty well anywhere else in the country, because the federal government was instrumental in providing the jobs, and that federal program trained people to meet job requirements. We were well on the way to establishing national standards. I raise this point for this reason that our manpower centres do not always send employers qualified employees. Take the case of the truck driver.

I remember an experiment which was tried by the Manpower office in my area, in conjunction with Simard Beaudry, who was working on a large project. The office put pressure on him to accept truck drivers they sent to him. Simard Beaudry put those men in a large truck and said, "If you can drive the truck, you can have the job; if you cannot drive the truck, you are not a truck driver". It turned out that most applicants could not drive heavy construction trucks. They had driven half ton trucks on the farm, but they are completely different from the sort of trucks used during the construction of a large dam.

Usually the Department of Manpower office cannot assure the employer that the applicant sent to the job is qualified. As a result, Manpower offices have fallen into disrepute with employers. Under program 5, the employment office could assure the employer of the employee's qualifications, because the department was in the position to train the employee, and did. That is no longer the case.

We must make many changes to the Unemployment Insurance Act. Certainly abuses should be eliminated, but it is unfair to expect people living in high unemployment areas to go without benefits for six weeks, on grounds that they may be ripping off the system. Clearly we must change the act, to provide benefits immediately to those who are truly seeking work but cannot find it. I think the minister is well aware of this problem. I am surprised that so far he has done nothing about it.

Another problem concerns the definition of suitable employment. What is suitable employment? For instance, what is suitable employment for a teacher who cannot renew a contract? Is her suitable employment work as a clerk in a store? After four or five weeks, does she have to take that kind of job at the minimum wage because she is not able to get a contract as a teacher at a fairly good salary?

● (2020)

I think this "suitable employment" has been badly abused. Surely we can work out some kind of system that allows a person to drop his standard as the months go by. It may be in this country that unemployment will go so high that people will be glad to dig ditches because there is no other job available to them, no matter what their education or ability may be.

I remember the last depression. We hired someone to work on the farm who had an electrical engineering degree from Queen's University. That young fellow worked on the farm for $25 a month plus room and board, and he was glad to get the job. He left shortly after that. My father was instrumental in getting him a job with Northern-Hydro in Quebec. He started as an oiler and within a few months he was running one of their plants. The next time I saw him he was in charge of the Common-

wealth program at the electrical school at St. Thomas. He was responsible for the electrical training of airforce personnel. It was not because he did not have the ability or education that he was glad to work for $25 a month on the farm.

If the Liberal government stays in power long enough it may be that suitable employment will be building an airport for ten cents a day, plus tobacco once a week, and a pair of pants when you can scrounge them. That is what some people received during the last depression. That is not what we are hoping will happen, but is the kind of criteria being used now for those who are unemployed. Those who are unemployed today are having just as difficult a time in making an adjustment as people did during the depression. When you ask someone to go from a good paying job, without the opportunity of having a reasonable period to obtain similar employment, to a job that does not pay nearly as well, you really are not doing anything for them.

Many people are in favour of any change that will cut down the number of people on unemployment insurance. If it were up to those who are complaining about minor abuses by those seeking unemployment insurance, I am sure they would be very much in favour of supporting the proposition of having full employment in this country.

This change in the act will remove the ceiling, floor, or whatever it is called, the 4 per cent benchmark of unemployment insurance. It says in effect that the government and the private sector will participate in the extended benefits, but up to the 4 per cent level it will be the responsibility of the employer and the employee. I remember when that 4 per cent was put in there. It was considered at that time that a reasonable level of unemployment would be 2 per cent. It has now been raised to considerably above 4 per cent. It is on a sliding scale. The minister said that, as far as his government is concerned, unemployment not only is going to be with us but will increase, and the workers with their employers will have to carry the unemployment insurance fund.

Mr. William Rompkey (Grand Falls-White Bay-Labrador): I welcome this opportunity to participate in this debate on the Unemployment Insurance Commission. We have a good unemployment insurance plan in this country and we must continually strive to make it better.

Unemployment insurance is important. All Canadians recognize that. Some say it is being abused. Obviously that is so in some cases, but I think it is in the minority of cases. It is to be hoped that the amendments now before us will rectify some of those abuses. However, in my riding, Mr. Speaker, unemployment insurance is used rather than abused, and used to a great degree because we have one of the highest rates of unemployment in Canada, with well over 20 per cent. Many of my people depend on unemployment insurance and will continue to do so for some time to come. They depend on it because in most cases their occupations are seasonal, and for a portion of the year there is no cash income. That is not to say that they are idle.

The people of my riding are not afraid of work and never have been. There is adequate evidence to show that Newfoundlanders and Labradorians have always been a proud and independent people, a self-reliant people who have worked hard for a living. They still want to work hard for a living. I do not believe for a minute that they want to exist solely on handouts. They want to work, and in fact surveys show that the work ethic is strong all across the country. In spite of the fact that we have a relatively high rate of unemployment, I feel that most of those people are not working through no fault of their own. I believe the majority want jobs and will take jobs when we offer them.

Unemployment insurance is the first line of defence against unemployment, but the best form of defence is often attack. I think this was referred to by some speakers before the supper break and, indeed, afterwards. That is the case here. Unemployment insurance can only be clearly seen in relation to its more important counterpart, employment insurance. This is the most important phrase. That is the key phrase that sums up the philosophy that we should be pursuing and that we are pursuing, for one of the great successes of this government and the Department of Manpower and Immigration, of which the Unemployment Insurance Commission is a partner, is its job creation programs.

The hon. member for Timiskaming (Mr. Peters) referred to the split-off in the department of the Unemployment Insurance Commission and the difficulty of integrating the two aspects of the department. I want to tell him that those two branches are working very closely together. In fact Manpower and the Unemployment Insurance Commission in many cases work as one.

The evidence of this is the Newfoundland project where over a two-year period about 2,000 unemployed, including people chronically on unemployment insurance and people on welfare, are being given positive training in vocational schools and in industry while they continue to receive unemployment insurance. This project recognizes that a defence against unemployment is not enough, and that there must be attack. It recognizes that it is not enough to keep people, because in many cases this means keeping them down, keeping them in a rut, keeping them in a section of society which has the welfare syndrome. Those chronically unemployed are often there not because they do not want to work, or because they are lazy. There are some in that category, it is true, but I do not believe they are in the majority. I believe a great many of the unemployed are thus because they are disabled for some reason, or because they do not have the skills or the education to get and hold meaningful jobs.

Many people, more and more in fact, are getting caught in the rapidly changing job patterns caused by advancing technology. The machine age is rolling right along, but in its path it is crushing many men and women who formerly trained for years to gain a marketable skill. Therefore we must continually improve and expand our training programs because in the long run I believe that it is only through these training and retraining programs, together with our job creation programs, that we can deal effectively with the unemployment problem.

The Newfoundland project is an attempt at this type of training and retraining. It is a unique experiment wherein those receiving unemployment insurance are placed in training programs according to their skill level and their expectations. Manpower tops off unemployment insurance where necessary and provides other programs of its own, such as travel and housing allowances. This project is

being monitored closely, and hopefully it can be implemented elsewhere in Canada. It illustrates that the UIC is not simply a body which hands out cheques. This project shows that they are interested in the growth and development of people. I can attest to that, having worked closely with the commission. A great deal of credit is due the commission for the positive attitude it has fostered in its administrators and its employees, and credit is due to its chairman for the dedicated way in which he has worked toward this end.

● (2030)

There are other success stories in job creation—the attack on unemployment at its source. The LIP program is a Godsend to a province like Newfoundland and Labrador, and to a riding like mine where work is largely seasonal. If members of the House could come to my riding and see the projects which have been completed by men and women who would otherwise be unemployed they would appreciate the value of the program. I can show them community halls, slipways, wharves, breakwaters, town halls, roads and many other things—things they regard as essential—which otherwise they would not have. The only difficulty is that there is never enough money to fund the many worthwhile projects in communities which desperately need them.

Even though my riding received $1.5 million this year there were still projects turned down in communities where there will be no other work this winter, and where men and women will have to get by on unemployment insurance or welfare. The fact is, of course, that the federal government will be funding many of these people in one way or another. I believe that what we should do is to design a winter works program along the lines of the project now going on in Newfoundland so that people are not simply kept but are doing something meaningful in return for the money they receive. I believe they want this. There are always many times the number of applications we can fund under LIP. People want to work; they want to improve their community. We are spending federal money in these communities anyway, so their potential should be put to a positive end.

An even more successful program within the department is LEAP. I believe that in the long run this program has more potential than LIP when it comes to alleviating chronic unemployment. I should like to refer to many projects which are now under way but I will confine myself to mentioning three which are now in progress in my riding where this program is well on its way to solving the chronic unemployment problem.

It is a program which gives people training on the job, plus a chance to become productive in the long run and acquire skills which will be marketable for years to come. I am thinking, for example, of 13 farmers in the Green Bay area who have been working under a LEAP program; their wages have been paid for two years and at the end of the coming year they can go on to become self-supporting. I am thinking, too, about a boat building project, and about a fishing operation under the LEAP program. Each of them represents a meaningful attack on the problem of unemployment.

A further program which is at work in my riding is the community employment strategy. This is presently operating in the southern portion of Labrador in my province, where a number of communities have organized under the guidance of the job creation branch of the Department of Manpower and Immigration to determine the directions in which government programs of all kinds are succeeding or failing, where amendments or modifications should be made to them, and where new programs are needed. These people are attempting to decide for themselves what resources they possess, what kind of jobs can reasonably be created in their communities, what help is needed, and what training or skill development is needed.

The main point here is that government, hopefully, will become what it ought to be—the servant of the people. The people will decide where they are going and how they will get there. And government will give them support, and follow in the direction they wish to take. This is decentralization of decision-making taken to its extreme. But it is absolutely the right approach. For once the local people have an opportunity to make the bureaucracy work for them. It is still too early to assess the situation, but the initial signs are good and I am hoping the strategy will work. It must work if we are to attack chronic unemployment effectively.

I have tried to show that there must be not simply a defence against unemployment but an attack upon unemployment. Unemployment insurance and other funds coming from the government can be used in a meaningful way, not simply to keep people going but to get them back as productive citizens. So the best defence, to my mind, is attack. This does not mean, however, that we do not need defence. Unemployment insurance is the first line of defence against unemployment, the first defence against temporary loss of income. Hon. members might note that word temporary. It is not a defence against permanent loss of income. We have other means of looking after the elderly, the disabled, and single parent families. This is an insurance plan against temporary unemployment and in that sense it is like any other term insurance plan.

I note too that the hon. member for Timiskaming referred to this aspect in his speech and remarked that if, at the end of his career, a worker had paid into the scheme without deriving any monetary return from it he could get some satisfaction at least from the fact that he had never lost his job. Unemployment insurance is an insurance plan, and it is like term insurance plans. Now the premium to be charged is going up, as are the premiums of other insurance plans. But I do not see how we can avoid this if the tripartite nature of the plan is to be retained.

From the beginning the unemployment insurance plan has been tripartite in concept. When it was developed in 1940 the administration of the act was entrusted to a commission composed of a chief commissioner, a commissioner representing employers, and one representing employees. This arrangement, symbolizing the tripartite nature of the plan, has persisted to the present day. There are three partners—the employees, the employers, and the government.

A partnership arrangement was set up which provided that the employer and the employee would pay an equal

contribution, and that the government would pay an additional amount equal to 20 per cent of the sum collected from employers and employees. In addition the government was to pay for the administration of the program. In 1962 the Gill Committee recommended that the costs of benefits be shared equally by employers and employees, and that there be no contribution by the general taxpayer toward the basic insurance plan. This idea is carried to an extreme in the United States where employers pay the entire cost of the insurance plan, with the exception of extended benefits during periods of very high unemployment. These benefits are totally paid by the state or federal governments.

In this country, however, the original principle of tripartite participation has been retained. It has been altered, though, so that the government might adjust its share of the cost to varying rates of national employment. What is really being proposed in the present instance is a similar operation. But in this case, as in previous cases, the government will pay for benefits extended due to high regional or national rates of unemployment.

What is being proposed is a change in the threshold of 4 per cent. The proposal is that the threshold not be fixed but that it be made flexible and allowed to rise and fall with the national unemployment rate. This principle of coupling thresholds and limits to moving averages which reflect current trends is one that is followed elsewhere, for example, in the calculation of the old age pension, in salary matters, in cost of living clauses, in family allowances. What is proposed now is to apply this principle to premiums paid for unemployment insurance.

It should be noted that the calculation of maximum insurable earnings, and therefore the maximum benefit payable, is based now on an eight year moving average of the industrial composite wage index. Here again the principle of limits being tied to a moving average reflecting economic trends is evident. It would seem reasonable, therefore, that the calculation of the participation of the private sector in the program should be made in a similar way.

The tripartite arrangement for sharing the cost of the unemployment insurance program is an extremely good one. It provides for the active participation by both employers and employees in a program which benefits them both, while at the same time providing for the federal government to acknowledge its effect on the labour market through its monetary and fiscal policy, and thus on the cost of unemployment insurance benefits.

The proposal in Bill C-69 to relate the threshold at which government participation starts more realistically to prevailing economic conditions is consistent with this tripartite formula. It reflects the principles embodied in the 1971 legislation which state that the private sector should be expected to pay the basic costs of the scheme which are more directly related to insurance, and the government should assume responsibility for those costs which are more in the nature of income transfer or income support.

● (2040)

The proposed eight year moving average threshold rate will not only reinforce these principles but will also provide for an automatic adjustment in the participation formula which can respond to changing economic conditions. The only alternative, of course, would have been an increase in taxes, drawing the additional cost of the program from general tax revenues, which again would be a departure from the user-pay principle and would impose upon people who did not use the plan the cost of the plan. Besides that, I believe that the major increase in cost will be borne by the employers, not in fact by the employees, certainly not those in the lower income brackets.

There are other amendments to the act that I think are good in principle, and on which I should like to comment. One increases the penalty for those who quit their jobs for no good reason. This idea is good in principle. The waiting time is being doubled. Although it is a good idea in principle, I hope that the application of it in some areas will be with an understanding of local conditions.

For example, there are many people in my riding who have no choice but to work away from home since there are no local jobs for them. In many of these cases they leave their families at home while they go away for many months at a time to areas far away. I would not want to do that and I do not think many members of this House would either. I can understand why men would want to leave a job under those conditions, especially if housing is inadequate and the amenities of life that they expect to find in the communities are not there. So I think, generally speaking, the penalty for quitting a job without good reason is a sound principle; but let us get at the cause rather than at the symptom.

I think we can solve a lot of these problems if in northern and remote communities, and in industrially rich communities, we do provide proper housing and amenities. If that is the case and these men can take their families with them they would have no reason to quit the job. We must examine the cause of why a person quits his job, and come up with a solution, such as the provision of proper housing.

I am also glad to see the amendment that would provide unemployment insurance benefits to sponsors of LIP and LEAP projects. Quite often in small rural communities the sponsors of such projects are in fact themselves unemployed. I have had cases in the past in my own riding where sponsors of LIP projects did not receive unemployment insurance benefits, so there is very little incentive for them to apply for them in the first place.

Another matter I want to mention is that raised by my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), namely, unemployment insurance for fishermen. At the present time fishermen feel discriminated against. They cannot draw unemployment insurance benefits for as long as other workers; the maximum is something like 23 weeks, with eight weeks of contribution. Other workers can draw almost 51 weeks.

I know the history of this plan and why it is this way. I think there are inequities in it, and I agree with my colleague who spoke this afternoon that the fishermen are not fairly treated. They cannot draw benefits until December. A fisherman may finish work in September, for example, but he cannot draw unemployment insurance benefits until December. Thereafter he can draw them until May, but not after May, yet the fishing season may not open until June or July. These inequities in the program must be remedied.

[Mr. Rompkey.]

We have been working to change them, but not within the unemployment insurance program. The Minister of State (Fisheries) (Mr. LeBlanc) has promised to bring into the House this winter, during this session, an income support plan for the fisheries. It would be meaningless to make amendments at the present time to the bill on behalf of the fishermen, much as they are needed, when this plan is in the offing. The best we can do is to wait for the fishermen's income support plan to be brought in by the Minister of State (Fisheries), and hopefully we can get it through parliament and in effect before the next fishing season. The present unemployment insurance scheme for fishermen is with us now for this year, bad as it is, but having lived with it for this long we can live with it for a few more months until the new income support plan is put in place.

I do not want to go into the details of this new plan and what it contains; that will come in a later debate. I recognize the problem is a real and serious one. The fishermen have been waiting patiently for the new plan and they must be given meaningful help. We must have a new scheme or we can say goodbye to the inshore fishery. The fishermen must be adequately supported during the off season, and they are not at the present time.

These are difficult times. Like all countries in the world, we are experiencing economic difficulty. One of the effects of that difficulty is an unemployment rate that is unacceptable. It is doubly important, therefore, that we ensure that we have an unemployment insurance plan that guards against erosion of the work ethic while at the same time it provides adequate protection to people when and as they need it. I welcome the flexibility that these amendments introduce into the plan. I believe they will be for the better and will improve the service that the plan provides to our people.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, as I begin my contribution to this debate on the amendments to the Unemployment Insurance Act of 1971, I must say I took some interest in the remarks of my hon. friend from Grand Falls-White Bay-Labrador. He heaped high accolades upon these amendments, the unemployment insurance program as it now exists, and the job creation program of the government which as he says operates in conjunction with this unemployment insurance program. If I remember correctly, his statement was that unemployment insurance is the first line of defence against unemployment.

However, prior to this the government had created a lot of work programs to help the worker in his every day life. It rather reminds me of the boy scout who was very late home from school. As the evening grew longer and it got dark his mother became very worried that he was not home. Finally after dinner he showed up. His mother asked him why he was home from school so late, and he said that he had been helping this little old lady across the street. So his mother said: "Well, what took so long?" He replied: "Well, she didn't want to go".

That is the impression I get of the government and its program. It parades around like a boy scout helping out everyone, but helping them out in ways in which they do not want to be helped. It seems to me that part of the problem with our economy is that the government is so busy trying to help people out that it will not let them help themselves. If the government would let them help themselves, the economy would be far ahead of where it is today.

I am pleased that the minister is bringing forward these amendments. I have a great deal of regard for him and I think he is trying to do a good piece of work in his portfolio. He has been given a sizeable job by his predecessor and he has a lot of cleaning up to do. So I not only admire him, I feel sorry for him in the work that he has to do.

In a sense I have no quarrel with the need for some of these amendments. In some cases I suspect they do not go far enough. But it is encouraging to find the government realizing that there is a need to upgrade the UIC program. I would seriously question the timing of the legislation, coming as it does in a period when we have 7.2 per cent of the work force unemployed. It seems that the minister is changing the rules of the game right in the middle of the game. The government engaged in a program of over-indulgence and over-generous policy for a number of years while we had high employment, during which time it encouraged workers to assume that benefits would come continuously. Any time a worker became unemployed there would only be a short waiting period, if any waiting period at all, before he would be in the chips again. Many people never prepared themselves for a period of extended unemployment such as they are facing today. Yet the government adopted an attitude of paternalism toward the worker, an attitude of encouraging dependency on government. There was no need to plan for an emergency, but now the minister introduces amendments which tighten up the regulations.

● (2050)

At a time when more people than ever need help, they are faced with these new restrictions. I support these restrictions, such as the restriction for extending the period of disqualification from three weeks to six weeks. In fact I wonder whether it should be a longer period. I remember years ago speaking to a gas station operator. He told me he had some youngsters, gas jockeys, working for him and they practically begged him to lay them off so that they could take the lumps of the two-week waiting period and have unemployment insurance coming to them and do what they wanted. That experience, I am sure, is repeated time and time again across the country. The system is abused by people who do not treat the program as unemployment insurance.

Now I should like to draw attention to the minister's statement in the folder that was distributed to all members. He said:

> This amendment is being proposed because of the alarmingly high number of persons leaving their employment without good cause and refusing suitable employment. The number of voluntary quits has been averaging approximately 250,000 per year and job refusals for the first four months of 1975 would amount to an annual rate of 21,000. This is taking place despite the current unemployment situation, and the low ratio of job vacancies to the number of unemployed workers.
>
> Thus it is clear that the present period of disqualification has not been sufficiently effective and needs to be increased. Workers' rights will continue to be fully protected; they will continue to be able to present their side of the case to their insurance agent, and have full recourse to the appeal system.

I ask, where were the departmental officials in 1971 when this program was planned? Do they have no capability for prediction? Could they not anticipate a little how this system would be abused? Did they have no ability to assess the possible way in which people could use that particular measure? This department has been profligate in its abuse of the taxpayers' money. It has been callous in not planning for this amendment at a time of low unemployment, and thus was not in a position to forewarn workers to prepare for the unpleasant prospects of unemployment. So, while this amendment is necessary, and in some way I suppose even welcome, it seems tragic indeed that it comes at a time when workers across Canada need unemployment insurance more than at any time in the last few years.

There is another reason why I question this legislation. I refer to the uneven administration of the program. The hon. member for Timiskaming (Mr. Peters) pointed out that the department has a curious ability to close a blind eye to the rip-off artists in the urban areas and then harry across the country the individual who tries to live within the rules.

Mr. Alexander: That is the truth.

Mr. Friesen: I recieved a phone call from an elderly man in my riding a few months ago. He was approaching retirement years and thought he would do what others do. He thought he would take advantage of the unemployment insurance fund into which he had paid for the last many years of his employment. So, he quit his job and applied to the UIC. The UIC did what it does in respect of most unemployed people. It set about to answer the inquiries by prospective employers. So he was sent all over the valley to look at these job prospects provided by the UIC and Manpower. He is 55 years of age. He is a hardworking man who believes in the work ethic. He does not want to rip off the government. So he goes everywhere the Manpower office sends him. He tries to do the work. He does it.

Whenever a job is over he goes to the UIC and they send him to another job. The poor man cannot do what many other younger people are able to do. Finally he is working with a crew, a group of young bucks, and it begins to sprinkle rain. They go to the beer parlor because they do not want to get wet, and on the way they go to the social service to get a cheque to tide them over. This is an example of a man who deserves the benefit of unemployment insurance but he cannot collect it simply because he is honest.

Then I think of a lady who wrote me. She has poor vision and cannot drive. She has spent much time working in nursing homes. The only job that was available to her was 36 miles away. She was unable to find commuting facilities in order to get to this employment at the time when the nursing home wanted her. She applied for unemployment insurance because she could not take the job that was offered her.

I think of another man in retirement years. He had been working all his life in a sawmill. He was retired and wanted to do something else. He went to Quesnel and looked around for work. He was not part of the bureaucracy and was not someone ripping off the UIC. Therefore he did not know the procedure used by some other people to rip off the UIC. He did not know that it was necessary to report every day when he went to Quesnel. The upshot is that he did not get work at Quesnel and did not receive the unemployment insurance benefits either because he did not follow the bureaucratic procedure outlined for him.

This man's case was taken to the appeal board. I am sure the members of the appeal board gave him as good a hearing as possible but, as the other hon. member pointed out, at no time was this man ever in a position where he could state his case personally to that tribunal and have it heard.

I have a very interesting letter from an employer of a man. This firm had a very good accountant who kept track of the man's work record. He began work on November 12, 1974. The last day he worked was December 30, 1974. Including those days, and excluding one week during which the shop was closed for Christmas, he could have worked some 30 days. The number of days in which he did work all or part of a day was 22. He thus missed some 26.7 per cent of the days on which he could have worked all or part of a day. The total available hours during those 30 days is computed to have been 240. He worked 169¼ of these, representing only 70.5 per cent of the total available.

The letter states that this company is a manufacturing plant with an assembly-line operation and thus it is essential that each employee maintain a good attendance record. It further points out that each employee has this fact pointed out to him or her, and that there is no misunderstanding concerning what is expected. They say this man attended some 70 per cent to 75 per cent of the time when he was needed, and they found the level of attendance to be unsatisfactory in the extreme and stated that this accounted for the term used on the separation certificate, "unreliable". What does this man do when he is laid off? He goes to the unemployment insurance office. The next procedure obviously is that the employer has to fill out a questionnaire advising the Unemployment Insurance Commission of the reason for this man's suspension. They point out that he is unreliable.

● (2100)

As I look into it a little further I find that the man apparently told the foreman that he had been sick. I suppose that if he has been sick, there is good reason for him to have a very hyphenated employment record, but then if he has been sick it seems to me that he should not get unemployment insurance. If in fact he needs that kind of help—and I for one would not deny him such help—perhaps he needs some kind of social welfare, but certainly not unemployment insurance. That is one of the grave problems of the unemployment insurance program.

The next thing I notice about the amendment is the ambiguous phrase, to say the least, "who refuse suitable employment". I ask you, Mr. Speaker, what does "suitable" mean? In what kind of subjective terms can you describe that? Suitable in whose judgment? Is it in the judgment,of a man who is unemployed and, theoretically at least, looking for employment, or is it suitable to the Unemployment Insurance Commission?

Is it suitable in terms of the salary that is being offered? Is it suitable in terms of the working conditions, the kind

of job that is being offered, or the location of that job? What does suitable mean?

I suppose I have the disadvantage of many other members of the House to remember the "dirty 30's" when we lived in Saskatchewan at the height of the depression and, I suppose, the height of unemployment. I remember very clearly that every summer during those depression years my father would go to British Columbia and find seasonal work there. He would go to the lower mainland of the Fraser Valley and get a job haying, working in the tobacco fields or wherever there was work to be had. He would take his bicycle along and pedal around the Fraser Valley looking for work. It did not matter if the work was for a week or two hulling strawberries, hoeing hay, or doing anything that would provide employment and an income. Toward the end of the summer he would come back to Saskatchewan just in time for the harvest season and do day work in the fields of Saskatchewan.

Now when I think back to those times I cannot help but think that any of the jobs that my dad took during those depression years was suitable. It was not very suitable for him to leave for three months of the year to go out to a job paying $1 or $2 a day in British Columbia; it was not suitable to the rest of the family, perhaps even demeaning in many ways, but somehow it was not as demeaning as looking for a handout when he could work. Any job was suitable so long as it was honourable.

I remember that the hon. member for Okanagan-Kootenay (Mr. Johnston) pointed out that one of the main problems of UIC is that it is not even UIC any more. It is called insurance, but actually the problem is that it is treated as if it were social welfare. Perhaps it is time we drew the comparisons to show just how ludicrous and anachronistic the term has become. Again I still remember hearing the words of my friend from Labrador when he pointed out that this was a good insurance program. Let us compare it with an ordinary insurance program to see whether it really is insurance.

First of all, as the hon. member for Okanagan-Kootenay pointed out, insurance programs are voluntary; no one has to take out a life or fire insurance policy if he does not want to do so. Second, insurance policies are pooled investment for real emergencies, and I mean real emergencies not inconveniences. The startling difference is that insurance companies by the law of the land and the law of this government have to be actuarially sound. When we take a look at the unemployment insurance program we realize that if any private company operated an insurance program the way this government operates unemployment insurance, it would be drummed out of business.

Think of the billion dollars or more that the UIC program has in deficit and then wonder if it is possible to make an honest and accurate comparison actuarially between UIC and an insurance company. Furthermore, insurance policies are very specific. Any riders mean additional costs to the premiums and you pay for each one of those riders. It is the person who buys the insurance who makes that payment.

UIC has many riders and all of these are good, but not necessarily relevant to unemployment insurance. For example, sickness benefits are very good riders and I for one would not criticize the need to provide for the workers for that eventuality when they are sick and need those benefits to carry them over through the period of sickness, but I do not know how you can correlate sickness benefits with other requirements of unemployment insurance, such as being available for work. I sense a constradiction there and I think it is time we called a spade a spade. There is a place for UIC and there is a place for social welfare, and I think the first priority of the government should be to draw a distinction between the two and make this into honest legislation.

Some hon. Members: Hear, hear!

Mr. Friesen: What the government has done is to train a whole generation of people to live on welfare, calling it UIC.

Some hon. Members: Shame!

Mr. Friesen: I think the government would do well to redesign its program to make unemployment insurance into insurance in fact. While there may be need for social welfare in some other form and through some other medium, the Canadian people should know what they are getting and what they are paying for.

Mrs. Ursula Appolloni (York South): Mr. Speaker, it may be relevant to point out that the present speaker on Bill C-69 is quite obviously female but rather less obviously an ex-chairman of the board of referees of the Unemployment Insurance Commission.

I feel that in human terms this is one of the most important pieces of legislation we have seen before the House in recent times. The ramifications of the proposals are considerable and complex, but at this time I will limit myself only to the consideration of clauses 14 and 16. As regards the former, I welcome it wholeheartedly.

In the past, sickness benefits have proven to be an administrative nightmare for the commission and the cause of very great frustration for the recipients. Under the old act the establishment of a sickness claim started what might be termed a clockwork action and in many cases, even though the recipient recovered and returned to work, the clock continued its futile course with resultant loss of benefit when benefits were again needed. This was all the more prevalent in the case of maternity benefits. The new act will allow the claimant to terminate the claim voluntarily or, to repeat the metaphor, to stop the clock. This innovation is, therefore, to be welcomed.

● (2110)

I mentioned the effect on maternity benefits. In this respect I would urge a further improvement. I refer to the pregnant woman who loses her employment because of labour disputes and therefore may not be entitled to receive maternity benefits because of section 44(1). Under this provision if a pregnant woman is a member of a grade or class of workers on strike, she is disqualified from receiving maternity benefits, especially in cases where the termination of the stoppage of work is not fulfilled when she becomes eligible for maternity benefits.

This section would appear to affect adversely the unionized woman, whereas it will have no bearing on her non-unionized sister. I see a possible dichotomy here, and I

strongly recommend that the provisions of section 44(1) of the Unemployment Insurance Act be inapplicable in respect to maternity benefits.

Let us now consider clause 16 of Bill C-69, and its implications. On the surface it looks like a toughening up measure such as those long advocated by the people who will spend so much time and effort in decrying the weaknesses of the system that they have little energy to devote to the essential good offered to genuine recipients by the unemployment insurance scheme.

We must now ask ourselves: who will be the objects of the new and more stringent punitive measures? The answer is our youth and our women, two groups with whom I have particular sympathy. Why youth and women? It is because administrative statistics have proven conclusively that the rate of voluntary quitting is considerably higher among those two categories of employees.

Perhaps we should now ask ourselves why youth and women are more likely to quit. I believe the reasons are various and complex, and many of these are common to both groups. It would be very easy to assume that women are more likely than men to quit their jobs because of family responsibilities, but if they do, it is probable they do not ask the taxpayer to pay for their decision. In fact, of the women disqualified under the old act for reasons of non-availability, job refusal, and inadequate job search, a higher percentage of women with no dependants was registered than was the case for women with dependants. However, the difference was not so considerable as to constitute terms for debate.

In studying these and other results, it is of great importance to consider relevant aspects and to ask ourselves many questions such as: why do young people work? Why do women work? What is the importance of job satisfaction? Is job satisfaction itself a polemic which condemns too much, or a vision which promises too much?

A report entitled "Canadian Work Values" gives us the findings of the Department of Manpower and Immigration on a work ethic survey and a job satisfaction survey. I hope that in the national interest similar and ongoing initiatives will be undertaken. I suggest that in few other fields do attitudes change with such rapidity as in this. Consider, for example, the following statement: "60 per cent of Canadians still believe that a woman's place is in the home." This statement was recorded in 1975. We are also informed that this attitude is considerably less prevalent among higher educated and younger members of the population. It would be interesting, therefore, to see what is the more prevalent attitude in, say, another ten years.

There is a tendency for both women and men to believe that women should not have to work unless they choose to do so. Here again younger and more highly educated members of society feel they should.

What we are experiencing is quite obviously an evolution of attitudes. However, there is one area in which age and education make no difference. Regardless of age or education, women are more inclined than men to believe that women in general should supplement the household income.

Let us now consider the case of a woman with dependants. She has probably received much more formal education than her mother. She has probably raised a family and has accumulated a wealth of experience as an administrator, economist, nurse, teacher, psychologist and arbitrator of disputes, to name only a few. She then decides to return to the labour market, probably to full time work, and if her children are young, more because of financial than any other need. What are her prospects? Is the labour force likely to recognize the full potential of this woman and justly evaluate her contribution? Unfortunately, the chances of her true worth being recognized are not good. All too often she will be offered jobs which are intellectually bankrupt. Because of her absence from the labour force during the time she looked after her children, her chances of promotion are limited, irrespective of her merit.

I believe that seniority in itself is a fine thing, but if it is used as the sole criterion for promotion at the expense of merit, then not only is it unrealistic, but it is positively dangerous to the economy as a whole.

This last point will also and perhaps particularly apply to our youth. We must remember that they too have an average education far superior to that of their fathers. Education widens one's horizons and also stimulates expectation. The resultant disillusionment and discouragement add another dimension to our mosaic of human frustration and miseries.

What of the working woman with no dependants, the one who preferred not to marry? Can she hope to achieve job satisfaction and promotion more easily than her married sister? The reality of the situation is not encouraging. If she is gentle and thoughtful, chances are she will be considered weak and quite expendable. To gain respect as a peer will almost inevitably require time, perseverance, and an extraordinary amount of patience.

If, instead, she is aggressive, she soon becomes the object of endless and often distasteful speculation, analysis, and innuendo. The recent case of an internationally successful female journalist is a prime example. During an interview published by *Time* magazine Signorina Fallaci was asked whether she is a lesbian. I know of few male writers since Oscar Wilde who have been subjected to such base sensationalism and whose private lives have been so dissected, and at the same time I fail to see what bearing her sexual preferences have on her undoubted ability as a journalist.

Administrative statistics have pointed out another interesting factor. It appears that the largest numbers of people who have abused the system come from clerical and related occupations. Here again I feel that employers must understand that if they hope to attract better educated personnel, they must make infinitely better efforts to provide in those jobs the challenge and prestige which education itself demands. Study has been devoted, and rightly so, to problems of alienation in assembly plants, but far too little is known of the numbing effects of months and years passed in the mindless atmosphere of a typing pool.

● (2120)

If there is one burning issue in this bill, an issue which will reverberate on the productivity of the entire nation, then surely it is the lesson that we are quickly learning that higher education will, of its very nature, lead to greater expectations. We cannot ignore these signs which

are already unmistakeably evident. Whether industry will accept the challenge and attempt to rectify the situation in the economic if not in the human interest, only time will tell. With this bill government will treat many of the symptoms but it certainly will not, and indeed cannot, cure the disease.

Many, many more thoughts could be and should be propounded on this argument but time simply does not permit. And so we ask why, despite compassion for and understanding of this problem facing our youth and women, will people such as I vote for and even advocate the punitive effects of this bill? It is quite simply because I feel that mature responsibility must, in the national and collective interest, take precedence over personal desires, legitimate though those desires may be.

Unemployment insurance is what it says—an insurance program much like any other. We will find people who do not like their houses but who would never dream of burning them down just to collect fire insurance. No, they will either tolerate them or look for alternative accommodation. So it should be with jobs and unemployment insurance.

In the interest of our national economy I would strongly urge employers to evaluate seriously the enormous wealth and human potential which, through lack of care and even minimal understanding, they continue to dissipate at an alarming rate.

At this very moment in time we are demonstrating an admirable and sincere concern for the conservation of natural resources. The time has come to include in the study of those resources the immeasurable riches of our undeveloped and under-employed human element.

Mr. Peter Elzinga (Pembina): Mr. Speaker, when we have the former minister of finance advocating changes in the operation of the Unemployment Insurance Commission on the grounds that "the cost to the government is becoming unwieldy" and admitting "that the act has some undesirable effects on work incentives", and when the Minister of Manpower and Immigration (Mr. Andras) tells us that "additional amendments are proposed to reduce some of the inequities and complexities which now exist," then I feel that we have the right to be gravely apprehensive about the operation of that commission.

I guess you could call it unwieldy when the increase of the cost of operating this act has risen by 150 per cent over the past year. Yet just three years ago we had the then minister of manpower and immigration telling us that "the extra costs present no problem to the government," and the Prime Minister (Mr. Trudeau) himself commenting on the $700 million deficit of that same year, saying that he "saw no scandal in that . . . What if the fund needs another $100 million or $200 million . . . ?"

When the cost to the government and to the contributors has increased threefold since that time, I say that we do have a problem and that we do have a scandalous situation.

At the very time that the Minister of Manpower and Immigration and the Prime Minister were not alarmed and saw no scandal, the Leader of the Opposition (Mr. Stanfield) was warning that expenditures on this program were "very much out of hand from both the government's and the contributors' points of view." However, it was a case of a warning falling on deaf ears again.

The government continues to display the most astonishing lack of realism in the present situation but an abundance of it in hindsight. This hindsight of the Unemployment Insurance Commission difficulty bears a remarkable similarity to the government's presentation of price controls, more than a year after they were proposed by the party which I have the honour to represent.

Every member of this House must know that the largest number of complaints that he and his staff have to deal with are those which pertain to unemployment insurance matters. Such letters far outnumber those about any other problem on a continuous basis.

The most dominant areas of complaint, of criticism, of distress and dissatisfaction are with this branch of the Department of Manpower and Immigration. Day after day, at least until we had the postal strike, letters of anger and frustration with this commission flowed in. Constituents forward us volumes of correspondence which they have received from the UIC, and ask that we assist them to help to untangle the unintelligible mess. Applications whose format is unbelievably complicated, and letters which are thoroughly incomprehensible spew forth from this department. There are so many abuses and injustices in the Unemployment Insurance Act that it ought to be scrapped and a totally new concept undertaken.

The way in which the act has been mismanaged has caused it to deviate entirely from the meaning of insurance. It could more accurately be referred to as payment assurance. It is regarded by contributors as some sort of investment or savings account, and that if they have put money into it then they are entitled to get it back. It is about as logical as expecting to be reimbursed for premiums paid out for car insurance, if one chooses to drive one's car no longer. That is exactly the way many in the work force are thinking today. They feel that if they do not choose to work, then they are entitled to unemployment insurance benefits. The only thing that will ensure, Mr. Speaker, is that a number of people are going to try to beat the system, and it is being done with great success very often.

It is no longer true insurance against the time when one is unemployed, but another con game in which the smart operator can pick the public pocket. The serious job searcher often finds himself strangled in the maze of red tape. Many times a recipient of benefits is informed that he has been receiving benefits for which he does not qualify after all, and that he must repay the commission as much as $1,000 or there will be dire consequences. If there are cases of overpayment, of no entitlement, then why were benefits paid out for so long? Who is causing these errors?

Let us change the name, the concept, and the reality to an employment insurance commission—a commission that will encourage employment rather than one which has built-in disincentives to work. Only when it becomes more profitable to work and be gainfully employed than to live as well, or even better, when unemployed are we going to have a society in which the prestige of the work ethic will regain its rightful position as a desirable attribute. Work has become another four letter word, a dirty word in the vocabulary and thinking of too many people. And the present administration has fostered that attitude.

The puny amendments which are proposed to the act are a farce as far as alleviating the existing problems is concerned. The senior citizen is going to be ineligible for benefits, and the lower salaried will have to pay the same premium as many who are higher salaried, at a minimal saving to the government. Does the Minister of Manpower and Immigration consider discrimination against the elderly and the poor to be a reduction in inequity, because that is what will happen if the proposed regulations do go into effect?

There is absolutely no consistency or logic in the way in which UIC matters are handled or mishandled within the Department of Manpower and Immigration. It is absolutely essential that there be more co-operation and liaison between these two sectors so that they work in harmony. Is the problem of unemployment not linked with finding jobs or training people to new skills to fit developing opportunities?

Manpower is woefully inadequate in its purpose to create and locate jobs for those in need of them. Stress must be laid on getting those who are without work back into the work force as quickly as possible so that they can be a contributing unit to the welfare of Canada, rather than a drain upon it. Far too many are allowed to exist in relative comfort as they wait to have cheques delivered to them from schemes and plans spawned by the federal government.

The industrious contributors are becoming demoralized by carrying the double burden of higher premium payments to the UIC as well as increased taxes to the government to handle its share of the UIC pie. We may see the day when the workers become so demoralized at carrying the drones in our society that they will either rebel against the system or decide that it would be much smarter to join them. Then we will experience the ultimate strike.

● (2130)

The Unemployment Insurance Act is urgently in need of complete rebuilding. The time for band-aid remedies is long past. I heard the hon. member for Skeena (Mrs. Campagnolo) extolling in her partisan way the supposed benefits of the present legislation. She expounded on the benefits of the Local Initiatives Program, benefits which I do not deny, as the program fulfills a need in society. But it is a stop gap program. Let me tell hon. members about an application made by the residents of the township of Flatbush in my constituency. They made an honest application to the government. They asked for only $2,873.

An hon. Member: It was too small.

Mr. Elzinga: The request was too small, as my hon. friend says. Despite their honesty, they were refused. And why did they apply for this money? They needed it because the government has mismanaged the beef industry of this country. When the government is so involved in the beef industry that, in a two-year period, it introduces 29 different policies and programs, I say the government does not know what it is doing.

Before concluding may I refer to what my party said during the past election campaign, to show that it is consistent. I shall also refer to what the hon. member for Hamilton West (Mr. Alexander) said in the present debate. I shall refer to our policy commitments made in the 1974 campaign, and to the somewhat similar statement made by the hon. member for Hamilton West, to show that my party is consistent in its thinking, and that when we make commitments and statements we are willing to abide by them, which is more than you can say of the party opposite.

We, of the official opposition, still call for an independent inquiry into the operation of this act. Such an inquiry should examine the effectiveness of the act as now constituted, and its administration. It should envisage whether changes in the legislation are required, and investigate in particular the administration, with a view to maintaining an adequate program of unemployment insurance while avoiding disincentives to employment and excessive costs to contributors and taxpayers. This request is consistent with what we said during the election campaign and with my party's position. We feel, in short, that there should be a fully independent inquiry and not some sort of in-house inquiry about which the minister spoke, involving the unemployment insurance advisory council.

Further, we feel that there should be a fully independent inquiry into the workings of the Unemployment Insurance Act in order to determine whether it is an insurance scheme, a welfare scheme, or a combination of both, and if there are abuses, how to get rid of them. The inquiry should delve into the extent of disincentives, and recommend how best to remove them. The inquiry should be full blown and independent, and not something with which the minister can play hanky panky whenever he feels too much heat. In other words, we want an independent group to look at this serious matter.

The principle to which we should adhere is that any scheme such as the one we are considering should be a difficult one for any person to take advantage of, easy to administer, and easy to leave. In other words, it ought to be hard to get on the recipient rolls, and easy to get off. This, apparently, is not the case now, as this amending bill indicates.

By introducing disincentives to work the government has destroyed the work ethic. This is the result of a statement the Prime Minister made some time ago. He said that you do not have to work for money because there are other things in life which are so meaningful. That may be true, but it is the individual's responsibility to pay for those other things himself.

The hon. member for Hamilton West, my party's UIC critic, compared the situation in our country with that in the United States. His comparison was startling, and for that reason I shall quote a part of his speech made yesterday on October 27. He said, as reported at page 8572 of *Hansard*:

> It is interesting to note that the United States, which has a population ten times the size of Canada's, spent $4 billion on unemployment insurance in 1973. On the other hand, we in Canada will spend approximately the same amount in 1975.

I have told the House what the government has done about the situation. My party has outlined what should be done. Unfortunately now, as in the past, our advice is falling on deaf ears.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, as Bill C-69 which deals with unemployment insurance will become one of the most important bills this House will discuss during the present session, may I at this time congratulate colleagues in the Progressive Conservative Party who made such excellent contributions to this debate.

The subject of unemployment insurance and the operation of the commission have been of major concern to Canadians for a number of years. Clearly a major overhaul of our UIC program is long overdue. You could say that UIC recipients are almost like members of another profession. The commission in Canada has attracted thousands of Canadians to its doors. They come for the generous pay-outs. Some groups have formed UIC ski teams, and wear jerseys on which appear the words "UIC ski team." On the backs of other jerseys are printed the words, "Thanks, Pierre". I hope the minister is taking the necessary measures to stop UIC ski teams from being formed this winter, ski teams which will be financed by the Canadian taxpayer.

I shall now refer to a Gallup poll. It is a public opinion report on the UIC. The question the researchers asked was, "Do you think that the government has been strict enough, or not, in checking on applicants for unemployment insurance benefits?"

Canadians are watching for evidence of a program ensuring stricter control of unemployment insurance payments. While most people approve the increased benefits, provided they go to those who really need them, they give almost a three-to-one verdict that, at present, the screening of applicants for UIC payments is not satisfactory. Nationally 59 per cent hold this opinion, compared to 24 per cent who think the controls are satisfactory. Another 17 per cent are undecided.

These national levels of opinion are echoed in homes for all occupational segments in much the same degree. Conviction that supervision is not sound enough in accepting applicants is highest, however, among executive and professional workers and their families, with 61 per cent believing stricter controls are necessary, versus only 20 per cent who disagree. Argument is more closely debated in skilled and unskilled labour, with 63 per cent thinking supervision is too lax, and 27 per cent saying it is not. Only 10 per cent of those in the homes of labour are undecided about the issue, compared to 19 per cent among executives and professionals or sales and clerical workers, and 23 per cent among farmers and others.

I now touch on the work ethic. The work ethic in Canada has been destroyed by successive Liberal governments. No wonder it has been destroyed, considering the sorts of statements the Prime Minister (Mr. Trudeau) has made. For instance, the Prime Minister has said in the past, as reported in the Edmonton *Journal* of March 20, 1972:

> I say that the most sacred law is that a man who lives in society should be able to enjoy his own possibilities to the maximum, but work is perhaps not the way to do it.
>
> If we are lucky, we will move toward a leisure society where we will work less. The aim of man in society is not to work, it is to realize his own potential to the maximum.

● (2140)

> He went even beyond this philosophical musing to the point of suggesting that there is nothing wrong with a deliberate decision to collect unemployment insurance rather than work.
>
> "There should be no stigma attached to that. They paid their unemployment insurance premiums," Trudeau said of those who "prefer" not to work.
>
> All this, of course, is pretty strong stuff from the leader of a country whose traditions are still deeply rooted in the work-oriented Protestant ethic.
>
> To the extent that it suggests unemployment is rampant in Canada by the people's choice, it's also downright misleading. The . . . majority of Canada's . . . unemployed want a job now, and couldn't care less about some future ideal of a leisure society.

I wish to quote from a letter that I received from the vice-president of Firestone Tire & Rubber Company of Canada Limited about the difficulties they are encountering in hiring people to work for their company. I quote:

> —our Plant Employment Office interviewed 2,521 potential plant employees for our Hamilton Tire Plant. Of that total, we hired 224 (acceptable candidates who were able to pass our medical examination). As of today's date, there are 110 of these 224 employees who are still working in our plant.
>
> From our experiences, we have noticed a new breed of 'unemployed' person. When answering our newspaper advertisements, many applicants possess one of the following attitudes:
>
> 1. They are content to sit through the interview and be shown the job and then not appear for the mandatory medical examination. We conclude that at least 10-15 per cent of the people tentatively hired refuse to accept the job in this manner.
>
> 2. They are content to appear for the interview and behave in such a manner that would not be acceptable to any company. The candidate actually appears relieved when informed that he does not qualify to fill the job vacancy.

This certainly indicates that the job ethic in this country is deteriorating. He went on to say:

> To us, this growing trend towards 'acceptable unemployment' is the direct result of relaxed regulations and attractive unemployment benefits.
>
> How can we as a corporation or our employees as taxpayers cover these rising unemployment costs? As a corporation, we can hope to increase our productivity. But how can we do so when we cannot fill our vacant jobs with responsible people? How can we increase our productivity if we cannot attract applicants and retain them as employees when they can easily receive large sums of money from our government NOT TO WORK?
>
> As for our employees, how can we increase their take-home pay to compensate for these new insurance payments when we are unable to increase our productivity and thus warrant these payroll increases?
>
> It is our considered opinion that immediate action is necessary. We strongly recommend:
>
> 1. The Unemployment Insurance Offices and the Manpower Offices should be integrated.
>
> 2. The eight week qualifying period for insurance benefits should be increased to 20 weeks.
>
> 3. And whereas the currently 20 hours a week in a week qualifies as one of the eight weeks required, this should be increased to 24 times the minimum wage of that jurisdiction concerned.
>
> These last two proposals would eliminate from the Unemployment Insurance Plan some of the people who have only a casual or part-time attachment to the Canadian work force.

They are not only complaining and making suggestions, but attempting to do something about it. I hope the minister will pay particular attention to what I will now read. I think the vice-president has an excellent idea. He stated, and I quote:

Unemployment Insurance Act

Attached, please find a copy of a form letter that we are now using in co-operation with the Hamilton office of the Unemployment Insurance Commission. It is our intention to work closely with the Unemployment Insurance Commission and assist them and their staff to discover violators and habitual offenders that defraud Canadians of millions of tax-paid dollars.

We sincerely believe that government action should begin immediately. With every company reporting similar information to their local Unemployment Insurance Commission office and revised legislation amending the regulations, maybe then we could eliminate the abusers of the system. A concerted drive must be started at once to clear up this disorder. The time is now to once again elevate the status of the Commission, permitting it once again to assist those Canadians who honestly and deservedly need this assistance. Let's correct our worst energy crisis, "The lack of energy of the unemployment rolls".

I hope the minister will consider contacting all firms across Canada with regard to providing the Unemployment Insurance Commission with this type of information on offenders. Mismanagement of the Unemployment Insurance Commission has been of concern to the official opposition. I wish to give an example of our concern.

Here is a report of a $3.2 million loss in overpayments at an Unemployment Insurance Commission office. I quote:

More than a quarter of the $12.1 million in overpayments by the Unemployment Insurance Commission's Montreal office in the past two fiscal years has not been recovered, Manpower Minister Robert Andras said yesterday.

Overpayments in 1971-72 totalled $2.43 million, and $1.79 million of this was recovered. In 1972-73, overpayments were $9.68 million, of which $7.03 million was recovered.

This makes total overpayments of $12.11 million in the two fiscal years. The total recovered was $8.82 million, leaving an outstanding balance of $3.29 million.

It must be very time consuming and costly to recover these overpayments. That is an example of just one UIC office. If they were all totalled, I wonder what the amount would be.

Mr. Andras: It is all in the reports.

Mr. McKenzie: I wish to read some comments by a former minister of national revenue, the hon. member for York-Scarborough (Mr. Stanbury), made prior to the last election. He stated:

—a Liberal government would amend federal unemployment legislation if re-elected July 8.

"The basic problem is not unemployment insurance, it's unemployment,"—

He went on to say:

—however, because of high unemployment the government "rushed into the program too quickly."

"Admittedly, there are holes we could drive a truck through."

I hope the minister is closing up those large holes. There are further shocking figures with regard to the Unemployment Insurance Commission. In 1974 Unemployment Insurance Commission payments made up 1.51 per cent of the gross national product. In 1975 total payments will amount to $4 billion, or 2.72 per cent of the gross national product. In other words, pay-outs will have increased by 186.3 per cent.

Here is where we are getting into trouble. In 1972 it was $1,871,808,000 with a government contribution of $717 million and employer-employee contributions amounting to $1,154 million. Listen to the figures for 1973. The total was $2,004,216,000. The government's contribution came to $573 million and the employer-employee contribution came to $1,431 million. Now for 1974 the figures are staggering. The total was $2,119,212,000, made up of $700 million in government contributions and $1,500 million in employer-employee contributions.

In 1975 it is expected that the total will reach $3,750 million. Of that, $1,750 million will be the government contribution, with $2 billion forthcoming from employer-employee contributions.

● (2150)

In closing, if Bill C-69 goes to committee a concerted effort must be made by the members and the minister to find out how the Unemployment Insurance Commission can be made self-sustaining financially, and not obliged to call continually for increases in premiums which amount to just another tax on the Canadian public.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I am amazed that my friends on the benches opposite have not taken this sterling opportunity to speak out on this important bill. I am sure Canadians living in their constituencies are every bit as upset and alarmed at this horrible mess called the UIC as are Canadians in constituencies represented by members who support this party.

The Unemployment Insurance Commission can only be called a mess. Indeed that is too gentle a word to describe the operations of this program. If one had to identify any single government program or government action which was more responsible than another for the near defeat of the Liberal party in October, 1972, it would be the Unemployment Insurance Act brought in by the present Postmaster General (Mr. Mackasey).

In a sense I suppose I owe the government a vote of thanks because there is no question but that the issue of the Unemployment Insurance Commission made it much easier for me to get elected for the first time in 1972. The famous Unemployment Insurance Commission ski team T-shirts were very much in evidence in my constituency, in the town of Banff as well as on the ski hills. The evidence of rip-offs at the expense of this scheme was very prevalent and known to a large number of people in the constituency and the backlash of that stupid government legislation contributed greatly to my victory in 1972. I should like to think that my victory in 1974 was more attributable to the record of the member in the previous period.

It is too bad it has taken so long for the government to respond by bringing in even these modest amendments to the act. Members opposite did recognize they had created a monster—that the act they had amended in 1970 was, in fact, a monster. The Speech from the Throne in January, 1973, promised amendments, but under the threats of the then leader of the New Democratic Party the government did not feel it could muster sufficient courage to implement that promise, feeling no doubt that though it would cost the Canadian public a few hundred million extra dollars to do so, the Canadian public would willingly pay that sum in order to maintain a Liberal government in office. I am sure that at this point in time the Canadian people, especially after hearing the Thanksgiving Day message, must have second thoughts about this.

The change which was made removing the limit was, really, a shocking mistake. Removing the limit on the amount the treasury could contribute to the fund opened up frightening possibilities, and many of us in this party regret we did not put up a more vigorous opposition to that particular amendment.

I am sure the Minister of Manpower and Immigration (Mr. Andras) was paying attention to the remarks of my illustrious colleague from Hamilton West (Mr. Alexander), who very tersely and very concisely offered the minister a number of positive suggestions as to how this bill could be improved. I am sure the hon. gentleman took note of those suggestions and that when the bill goes through the committee there will be a willingness on the part of those opposite to accommodate them. If this is done, the minister's own responsibilities will be that much easier to bear; the Canadian people will be called upon to bear a lesser burden than would otherwise be the case, and we shall all, in short, be a lot better off. I notice the minister is smiling and I take that smile as expressing concurrence in my remarks.

I am pleased to have this opportunity to speak on the proposed amendments to the Unemployment Insurance Act since this issue is one of great interest to many people in my riding. The Canadian people have now had four years in which to judge the effectiveness of the legislation since the previous amendment in 1971. Indeed, there are a lot more Canadians who are capable of forming opinions about the Unemployment Insurance Commission as a direct result of their own experience. In 1971 unemployment was running at 5.9 per cent, and roughly 495,000 were unemployed. Today, the figure is running at 7.2 per cent and some 800,000 Canadians are clients of the Unemployment Insurance Commission.

I am sure every member of this House has a dossier full of horror stories which they have received from their constituents in the course of trying to help them work their way through the bureaucratic maze. I am sure, too, that every member can also document cases where individuals are ripping off the system by receiving benefits which are really not due to them, or would not be forthcoming if, in fact, the act were carrying out the purpose for which it was intended. May I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

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

OLYMPIC GAMES—REQUEST FOR ASSURANCE MEDALLIONS MINTED IN CANADA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, tonight I intend to pursue my question to the President of the Treasury Board (Mr. Chrétien) of October 27 dealing with the possibility of minting Olympic

commemorative medallions to supplement the drastically sagging sales of Olympic silver coins.

The concern which obviously arises in this connection stems from the fact that private Canadian mints such as the Lombardo mint in Quebec, the Jacques Cartier mint in Toronto, and others which did not get a chance to bid on the commemorative medals were all bypassed by COJO in favour of a Swiss firm whose so-called Canadian subsidiary Suissecon Watch Company Limited is found not to be an incorporated company in either the Dominion of Canada or any of the provinces.

The sad part of the matter is that the example just given is only one of the many ways in which qualified Canadian firms have been effectively shut out and prevented from taking part in the production and development of products for the Olympic Games.

● (2200)

I realize that the government's answer to my request for intervention by the federal government for the benefit of Canadian manufacturers and Canadians in general will be that COJO's business affairs are out of the federal government's jurisdiction. Let me point out, however, that the Olympic coin program is totally under the jurisdiction of the federal government and that the commemorative medal proposals are directly connected with the coin program. Allow me for the sake of clarification to quote, Mr. Speaker, from a coin program tender signed jointly by Gerry Snyder, vice-president/revenue of COJO, and Mr. Austin Page, managing director of the Olympic coin program, directly responsible to the federal government:

A description of the marketing program you are prepared to implement for the distribution and sale of coins and medals in the United States, Canada and overseas. This description should include order of magnitude marketing budgets proposed for each element of the marketing program and estimates of anticipated sales of coins and medals for each element. It should be noted that sales of coins should be restricted to the United States while sale of medals should be worldwide. The organizing committee and the coin program in this respect will develop with you a list of potential international distributors of the official medals.

You would have noted, Mr. Speaker, that reference in the quote is made not only to Olympic coins but to medals as well, which go hand in hand with the coins. There is no question, therefore, that to me this reflects the fact that since the medals and coins are part of the same category under the coin program, which is the sole responsibility of the federal government, it is the economic and moral duty, indeed the obligation, of the federal government to take immediate steps to intervene in COJO's decision to have these and other products manufacted abroad without giving Canadian businessmen a fair opportunity to manufacture them.

This is just one of the many reasons why I have today called upon the government to initiate a full scale public inquiry into the organization and conduct of the 1976 Olympics, in order to reduce any further unnecessary expenditure and so that public confidence in the games will be restored and the games assured of the success Canadians wish them to have.

As I have said, this is just one of the many reasons why an investigation is necessary. The fact that the Solicitor General (Mr. Allmand) does not even know the man who

will head the mammoth security forces, estimated to cost the federal taxpayer $90 million, is another reason. The fact that some maniacal terrorists are planning to use the Olympics as the stage for their political insanities is another reason. The fact that the cost of the games themselves are expected to reach an estimated $1 billion, compared with the original estimate of $310 million, is another. The fact that the direct federal commitments will reach, in my opinion, $250 million before the end of the Olympic Games, is yet another.

For example, I have here figures in a document produced by the immigration department, figures that to this date have not been made public, estimating that $3.2 million is reserved in that department to pay for Olympic immigration over and above the regular budget. The fact that there presently exists six million pieces of finished and unsold silver coins in the vaults of the Mint to the value of approximately $50 million is another reason.

In the time allotted me this evening I do not have time to expound on all the other reasons why it is necessary to have an investigation. The fact of the matter is that the time has come for the federal government to come clean with the people of Canada by making all the obvious irregularities public through an inquiry such as I have proposed; and perhaps even at this late date we as Canadians can end up being proud of hosting the Olympic Games.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the sale of medallions to which the hon. member refers is a project of the committee responsible for the Olympic Games. It is not, I repeat, a federal responsibility.

Mr. Jelinek: You were not listening.

Mr. Francis: I was listening very carefully, Mr. Speaker, to everything that the hon. member had to say, and I would ask that he would extend to me the same courtesy. The project for the sale of Olympic coins was authorized by a special act of this parliament.

The Postmaster General (Mr. Mackasey) was consulted from the beginning about the program in respect of the medallions. He was assured there are two separate and distinct programs and that one does not compete with the other. All the expenses of COJO, the committee responsible for the games, and its purchasing policies are directly the responsibility of the co-ordinating committee established for this purpose. I repeat that the federal government does not have jurisdiction or authority to dictate to the committee responsible for the games its policies in this respect. No provision of federal law governing the Olympics applies in this specific situation.

TRANSPORT—DATE OF IMPLEMENTATION OF RECOMMENDATION THAT COMMISSION PORTS GIVE GRANTS IN LIEU OF TAXES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, for the past year I have been drawing the matter of the Surrey container port facilities to the attention of the Minister of Transport. I would hope tonight that the parliamentary secretary would speak directly to the issue of the Scott report and its recommendations, and give us more than simply departmental generalizations and public relations statements on this matter, because this is a matter of great import to the thousands of people in the lower mainland of British Columbia.

I have spoken to the former minister, in this forum as well as in personal conversation, about the matter, and on a number of occasions he has assured me that the Scott report will be the final answer to the problems of the municipalities as they relate to the commission port facilities across Canada. I have been assured on many occasions that the Scott report will be included in the recommendations and that the commission ports will pay grants in lieu of taxes.

The container port facilities operated by the Fraser River Harbor Commission of New Westminster were opened last December in Surrey. I should first of all compliment the commission on the excellent facilities, on the excellent operation, the very efficient operation and, I might add, the prosperous operation. It is making money. That is something to be commended. When any government operation makes money I think we should stop and take note, especially in contrast to the facilities of the National Harbours Board. As I have said, these facilities were opened last December, almost a year ago now. All we have had in the meantime is a vague assurance that something will be done, that the Scott report will be handed down and that it will be the answer. I should like to point out to the minister what this kind of dalliance means to the taxpayers of Surrey.

I have with me an estimate from the municipal engineer of Surrey concerning what it will cost Surrey to make sure that the access facilities to the container port facility will be up to the standards required. It will have to upgrade a number of roads. There will have to be Robson and Plywood roads with an asphalt overlay at a cost of $40,000. There will have to be 2,100 feet of two roads, Tannery—Scott to Timberland reconstructed at a cost of $125,000. There will have to be 900 feet of Timberland and Old Yale covered with an overlay at a cost of $60,000.

There you have a total cost for the roads alone of $225,000. This is no small item when you consider the soil conditions in the area. They are extremely poor. There is a very high water content and the soil in that area is peat. There is a large engineering cost involved in this project. Since it is a port facility it is obvious that on the low land of the river there will have to be drainage. The reconstruction of the ditch enclosures for these facilities will represent something in the area of $420,000. To bring up the access and drainage facilities will cost $645,000 to the taxpayer of Surrey. So much for the expenses to the taxpayers, but on the other side of the ledger is the revenue that should be accruing to the taxpayer, and there are four pieces of property involved in this facility.

● (2210)

The taxes that should be coming to the municipality of Surrey each year beginning in 1975, followed by the increments, should be $205,851.28. Those are the projected taxes for 1975. When you combine the lost revenue with the projected expenses, you have the total of $850,851.28. This is what it means to the taxpayer of Surrey municipality because this government had made promises and had said

recommendations will be coming which would take the pressure off.

If the government is really concerned about equity, justice, and fairness, then I think it will make the recommendations of the Scott report known to the Canadian people and to the Surrey municipality, and will ensure that the government there will receive the tax dollars it deserves so that it can service the facilities it has within its boundaries.

I underscore the fact that we welcome the facilities which are excellent and job producing, but if we want to make them the kind of facilities they should be in terms of services, then it will cost the taxpayer; and if the federal government insists on putting facilities within the boundaries of a municipality which create a burden to the taxpayers, it is only right that it share in the burden of paying for services for those facilities.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as I begin let me say that I appreciate hearing the hon. member's kind words about the quality of the facility that has been installed in this case. I hope that in my remarks this evening I will be able to shed a little more light on some of the questions which he has raised.

As the House knows, last June the Scott report recommended that the government pull together the administration of ports in this country into a more unified system. It also recommended that further study be done on the financial administration of ports.

The government has since announced its new policy to create a Canadian ports commission as well as some 25 semi-autonomous local port commissions. This commission would be within the marine administration of the Ministry of Transport, and would have responsibility to exercise the federal mandate for ports, including ports planning, capital development, and financial control. To bring this policy into being, a ports task force has been appointed to prepare instructions for the drafting of new legislation, and to provide answers to a number of financial and organizational questions, including the matter of grants in lieu of taxes.

On the basis of this task force report the government will bring forward a new Canada ports act for consideration by parliament. As the Minister of Transport (Mr. Lang) stated in the House, it is not possible to determine the exact timing of the changes which have to be made, in particular with reference to the changes mentioned by the hon. member. Implementation of the new policy and of the new financial arrangements, however, will immediately follow the passage of the required legislation.

GRAIN—ALLEGATION WHEAT BOARD PUTS EXPORT GRAIN IN NON-BOARD CATEGORY AND DISTRIBUTES TO EASTERN FARMERS BUT NOT WESTERN FARMERS

Mr. Peter Elzinga (Pembina): Mr. Speaker, on July 4, 1975, I put a question to the Minister responsible for the Wheat Board (Mr. Lang) that dealt with a distribution discrepancy.

Apparently non-board wheat can be made available to eastern farmers but not to those in the west. This has been brought to my attention by several concerned groups in western Canada. They have stated that they cannot purchase non-board grain at non-board grain prices but what they can purchase is grain from the Wheat Board at Wheat Board prices. However, in the east Wheat Board grain is turned over into the category of non-board grain and the non-board grain sells for considerably less than the Wheat Board grain. This is just one area in which I feel that there is a certain amount of discrimination in regard to the grain situation as it now exists in Canada.

There are several other matters with which I wish to deal in making this brief presentation because there are many areas of dissatisfaction in western Canada, and I should like to mention a few of these this evening. I am aware that in the few moments the hon. gentleman has to respond to what I have to say, he will state that this is not the case, but let me remind hon. members that that is exactly what was stated throughout the 1974 election in regard to wage and price controls. How quickly hon. members opposite change their minds, and how quickly they can change their opinions to suit their personal expediency.

While dealing with this issue I do not just wish to deal with the narrow aspects of it, but I should like to include some other areas in which western people feel they have not received a fair deal in confederation. This feeling has been constant throughout history, and is there any wonder that there is such ill feeling when they in the western regions have been looked upon as a colonial state for the purpose of supporting the golden triangle of Ontario?

Agricultural economies throughout the world have always been poor. Consider the southern hemisphere in all the developing nations. Consider every industrial nation of the world, and where there are within them agricultural regions those are the poor regions, and yet agriculture is the most essential of all industries. Consider Canada. The agricultural regions are poor unless they have some other resource. That has been the history of the prairies and the maritime provinces of this country.

To some Canadians the west has been a source of agitation recently. Some have made the comment that Alberta is trying to get out of confederation. They saw one issue correctly. There is agitation, and there is a feeling of uneasiness, but they read the signs wrongly and gave the wrong interpretation to the facts of the matter. What is really happening is that the west is trying to get into confederation. That is what I hope I can convey through the parliamentary secretary to the minister this evening.

Just to give a bit of an over view on how the regions of this country have been treated by the federal government for the past 100 years, central Canada has had the protection of tariffs. The colonial regions paid more than did central Canada for textiles, automobiles, farm machinery, and manufactured products. This is very nice for central Canada, but the producers see it as pickpocketing. If we are truly a confederation, then the confederation must be two way. If we are to have cheap oil across the country and if we are to have cheaper food products across the country, then the federal government must consider the well being of all of Canada and not just that of central Canada. It must talk of Canada as being a whole nation from sea to sea.

If the government really feels it has been responsive to the regions, then we can ask legitimate questions. I ask hon. members opposite how it was that they accepted the fact that the great depression lasted a full three years longer on the prairies than it did in central Canada?

Let me ask hon. members opposite to justify why western Canada pays twice as much to bring manufactured rapeseed back from Toronto to Lethbridge than it does to ship raw rapeseed per ton from Lethbridge to Toronto? Why is it that iron and steel products from Toronto are cheaper when shipped to Vancouver than when shipped to Saskatoon?

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member, but I wish to bring to his attention that although this is a limited debate with regard to time, and although there have been no points of order, I think he still should abide by the rule under Standing Order 42 which says that no matter should be debated during the 30 minutes allowed for the adjournment debate unless notice has been given. The hon. member gave notice of one specific question with regard to grain which is distributed to eastern farmers and not to western farmers. Of course he might relate that to many other differences in the country, but I hope he will come back to the question he raised and of which he has given notice.

Mr. Elzinga: Thank you, Mr. Speaker. I hope you do not deduct that from my time. I was dealing with rapeseed, and that is considered a grain. I hope it is appreciated that we must relate these things to various other commodities. If we are to talk about what is good for Canada, let us talk about what is good for all of Canada. These are questions which must be answered. The prairie regions which are agricultural are treated only with crisis concept policies.

Another example is that it is cheaper to ship live western cattle to Ontario and to feed them there with grain which was grown in the west and shipped to the east under subsidy at low rates than to slaughter the cattle in the west and send them east for consumption. That documents another case where industry has been taken away, but according to the federal government it is the business of the west to supply the resources for central Canada and then in turn to be a market for central Canadian industries.

● (2220)

While we are talking about what is good for Canada, let me ask this: why cannot the Wheat Board have its headquarters in western Canada? Why cannot the salt fish committee operate in the maritimes? Why cannot the National Energy Board be based in Calgary since, every time they have a meeting, that is where 80 per cent of the delegates come from? What I am trying to put on the record is the fact that we are not talking about just one issue—but about the whole complexity of how we fit into confederation.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am tempted to launch into a fairly lengthy dissertation on the issue the hon. member has touched upon, and the general subject which perhaps some of us westerners too grandly call "western alienation". I will try to resist that temptation, however, bearing in mind Your Honour's earlier admonition.

I want to begin by correcting one comment with which the hon. member concluded his remarks. The headquarters of the Canadian Wheat Board are most definitely in western Canada, in the city of Winnipeg.

I must confess a certain degree of uncertainty with respect to the precise point the hon. member for Pembina (Mr. Elzinga) is attempting to make this evening. In studying the *Hansard* report of his original question on July 4 last it appears that the hon. member had in fact been satisfied. He went on to refer to a written inquiry which he had placed earlier in a letter to the minister on the same subject. The minister's reply, although dispatched to the hon. member prior to his question in the House, apparently did not reach him until after July 4. That written response—and it bears repeating here—demonstrated that the hon. member's suspicions about discrimination in the feed grain policy were unfounded. That policy was developed to remove pre-existing discrimination and to provide a fair, equitable, and common base for prices of feed grains across Canada. The suggestion that somehow farmers in eastern Canada have an access to western feed grains on the open market which is not available to western producers, simply is not accurate.

The facts of the matter show that western farmers enjoy more options—a greater freedom of choice if you like—in purchasing feed grains.

Generally speaking, in practice easterners purchase their western grain supplies in the open market past Thunder Bay from the grain trade at prices determined through the operation of the futures and cash markets of the Winnipeg Commodity Exchange. Meanwhile the western farmer can buy his feed grain from other western producers at a negotiated price, or from elevator companies at the cash price as reflected by the operations of the Winnipeg Commodity Exchange, or from the Canadian Wheat Board at the board's export price.

In order to smooth the flow of grain and to avoid unnecessary surpluses in some areas and shortages in others within the western region, the board does have a switching ability to meet local needs and reduce useless movement of stocks.

In closing, Mr. Speaker, let me say I appreciate the hon. member's comments with respect to the freight rate problem affecting the movement of feed grains vis-à-vis beef. The government is committed to a correction of that situation. I think the hon. member may look forward to more specific news on this point in the near future.

I would simply mention here that the minister tried very hard two years ago to direct public discussion in western Canada to this very essential point. At that time most commentators preferred to resort to rather hysterical outbursts about some alleged, but totally fallacious undermining of the effectiveness of the Canadian Wheat Board. That nonsense unfortunately diverted serious attention from the real difficulties in connection with the freight

rate issues. If we had heard and been given the benefit of considered and thoughtful discussion of feed grain freight rates beginning at that point in time two years ago, we would have been further along the road to a real solution now.

Adjournment Debate

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

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, October 29, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIME MINISTER'S OFFICE

SUGGESTION PRIME MINISTER BE REQUIRED TO DISCLOSE ALL DETAILS CONNECTED WITH CONSTRUCTION OF SWIMMING POOL—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion arising from the arrogant and incomplete answers given yesterday to questions on the order paper concerning the swimming pool constructed at the official residence of the Prime Minister (Mr. Trudeau) at 24 Sussex Drive, and also arising from the fact that this House has every right to find unacceptable continued evasion and misleading information on the matter. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

With specific reference to the answer of yesterday to question 1,233 which asked for numerous details concerning construction of and donors to the swimming pool at the Prime Minister's official residence at 24 Sussex Drive along with the answers to questions 1,684, 1,686 and 1,687 on the same subject, it is the opinion of this House that the Prime Minister is withholding legitimate information from the elected representatives of the people, and that this constitutes not only an affront to parliament and the people of Canada, but also indicates the grave possibility that severe improprieties and conflict of interest factors most definitely do exist with regard to this matter; and finally, the House calls on the Prime Minister to forthwith make full disclosure and tell the entire truth to parliament.

Mr. Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

REQUEST THAT MINISTER OF NATIONAL REVENUE OUTLINE ALTERNATIVES TO ANTI-INFLATION PROGRAM—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of widespread public confusion over the implementation of the government's controls program, and in view of the statement by the Minister of National Revenue (Mr. Cullen) reported on CBC radio this morning to the effect that the government's program is unlikely to work because of the absence of public support, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House congratulate the minister on his acute political perception, and further, that the House urges the minister to make a statement on motions outlining alternative policies which he intends to place before his cabinet colleagues for their consideration.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

OLYMPIC GAMES

SUGGESTED GREATER CONTROL OF EXPENDITURES BY FEDERAL GOVERNMENT—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce an important and urgent motion.

Since the costs of the 1976 Olympic Games, which were supposed to be moderate, have become astronomical if not disastrous and since the matter concerns and should concern all Canadians, especially at a time when the government is endeavouring to control inflation, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House recommend that the government instruct the prices and incomes control commission to investigate the expenditures incurred up to now for the Montreal Olympic Games and to control other expenditures to be incurred till the games are held and even afterwards. In addition, that it recommend that the government take a direct part in financing the games through other new means.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

[*English*]

INDIAN AFFAIRS

REQUEST FOR EXTENSION OF NEGOTIATIONS WITH INNUIT OF QUEBEC FOR ONE MONTH—MOTION UNDER S.O. 43

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Northern Quebec Innuit Association representing the Eskimos north of the 55th parallel in Quebec have been negotiating in good faith an agreement in principle signed on November 19, 1974, which is to be executed on November 1 of this week.

Despite satisfactory progress the Northern Quebec Innuit Association has requested that the negotiations be extended for one month to resolve outstanding differences. These negotiations are unique in that the Innuit in Canada for the first time are negotiating a way of life indigenous to northern Quebec for better than 4,000 years. This request for an additional month does not affect negotiations that have taken place to date nor affect developments occurring in northern Quebec, nor is it related to matters such as working conditions or hourly wages, but I must emphasize they are negotiating their future in Canada.

In view of the reasonable and responsible request to extend the negotiations for one month, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the Minister of Indian Affairs and Northern Development who represents the government of Canada in these negotiations take immediate action to have the negotiations extended by one month.

Mr. Speaker: This motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTION COMMITTEE HEAR GRIEVANCES OF QUEBEC INNUIT CONCERNING CURRENT NEGOTIATIONS—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, the motion made under Standing Order 43 by the previous speaker is an example of the concern that I share. The Northern Quebec Innuit are now less than 48 hours away from negotiating an agreement in principle affecting their life style. I think it is important that they be allowed to extend the negotiations for at least one month as they have requested.

I would therefore move, seconded by the hon. member for Churchill (Mr. Smith):

That representatives of the Northern Quebec Inuit Association be called before the Standing Committee on Indian Affairs and Northern Development prior to November 1, 1975 with the objective of hearing their grievances regarding current negotiations between themselves and governments with the view to making specific recommendations to the minister forthwith.

Mr. Speaker: Under the provisions of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CANADIAN ECONOMY

APPLICABILITY OF FEDERAL WAGE GUIDELINES TO METRO TORONTO TEACHERS—MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the widespread public confusion over the implementation and implications of the government's controls program, and in view of a statement by the Ontario minister of education, Mr. Wells, with respect to negotiations involving Metro Toronto teachers, I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That this House instructs the Minister of Finance to make a statement on motions explaining the applicability of the federal guidelines in the case of Metro Toronto teachers and, in particular, making clear the government's position with respect to Mr. Well's suggestion that negotiations should proceed as if the federal guidelines did not exist, that the employer should commence the payment of higher salaries as soon as a contract is concluded and before any intervention by the federal authorities, and that, in any event, any final determination by the federal government on the Anti-Inflation Board, in view of the lengthy appeal procedures and the number of cases with which the board will be deluged, would take at least 1½ years.

Mr. Speaker: Under Standing Order 43 the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—CONTINGENCY PLAN IN EVENT LABOUR FAILS TO COMPLY WITH PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question to the Minister of Finance? In light of reports coming from allegedly reliable government sources, to the effect that the government has a contingency anti-inflation plan involving a prices and incomes freeze which will be used if union opposition stymies the present program before the House, will the minister confirm whether the government has such a contingency plan?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have no such plan to either indicate or bring forward at this time.

Mr. Stanfield: A supplementary question, Mr. Speaker. The minister did not answer my question. I asked whether

he had such a contingency plan. As the Prime Minister during his tour last week said repeatedly that the government would not hesitate to use stronger methods if organized labour stymies the anti-inflation program, will the minister explain why the government is making these threats regarding union compliance, since, obviously, the significant, large and stronger unions are already subject to the compulsory income guidelines?

Mr. Macdonald (Rosedale): Mr. Speaker, I think the hon. gentleman may be misquoting the Prime Minister. The Prime Minister indicated that if the present, selective measures do not over a period of time take effect to bring down the rate of inflation in Canada, it may be necessary to resort to more comprehensive and encompassing measures of the kind from time to time described by the Leader of the Opposition.

Mr. Stanfield: A further supplementary question, Mr. Speaker. With respect, I think the Prime Minister's remarks were directed to compliance by organized labour. May I ask the minister if his tough sounding talk is simply bluster, so far as organized labour is concerned? Can the minister indicate to the House what further compulsory measures would be imposed on union wages that are not already in the compulsory guidelines?

Mr. Macdonald (Rosedale): Mr. Speaker, I think the hon. gentleman could have been referring to comments of the Prime Minister misreported in the *Globe and Mail* and corrected by that newspaper yesterday, to the effect that in the bill now before parliament there are provisions enabling action to be taken against individuals, whether they be union leaders, heads of businesses or others, who wilfully defy the instructions of parliament in this regard. He was not, as the *Globe and Mail* pointed out yesterday, confining these remarks to union leaders. As I said, all this is in the bill presently before parliament and I commend the reading of that bill to the hon. gentleman.

ANTI-INFLATION PROGRAM—KNOWLEDGE OF PROVINCES OF CONTINGENCY PLAN IN EVENT LABOUR FAILS TO COMPLY WITH PROGRAM—FURTHER MEETINGS WITH PROVINCES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a supplementary question to the Minister of Finance? As the minister has indicated that the government might have to resort to more comprehensive measures in connection with its anti-inflation program, will the minister indicate if he has informed the provinces what those comprehensive measures may be? More specifically, has the federal government scheduled a further meeting with the provinces, at which time full and decisive positions can be taken? If such a meeting is to be scheduled, on what date will it take place? If it has not been scheduled, why has it not been scheduled?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I indicated in replying to the Leader of the Opposition, measures of that kind would only be put forward after the present proposed selective measures have been given a full and fair trial in restricting the rate of growth of inflation in Canada. With respect to the further meeting with the provinces, we have suggested a further meeting with the provinces at a time convenient to them, but no date has yet been set. We feel it would be useful, if further provincial measures are to be taken, if the provinces come to the meeting prepared to advise us of them. From our standpoint, we are quite prepared to meet them just as soon as the several working parties have completed their task.

ANTI-INFLATION PROGRAM—REQUEST FOR EXPLANATION OF REFERENCE TO "TAXING AWAY PROVISIONS"

Mr. Sinclair Stevens (York-Simcoe): A further supplementary question, Mr. Speaker. As the Prime Minister, during his tour, has created confusion by referring to taxing away provisions he intends to institute with respect to excessive wage gains or increases, will the Minister of Finance indicate if this is just terminology? Did the Prime Minister actually mean that these taxing away provisions are already in the bill before the House, or was he contemplating further legislative measures for taxing away gains and increases to which he referred?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Prime Minister was referring to the provisions of the bill which would enable the Crown to take away from corporations, for example, which instituted unjustifiably increased prices the amount of the increase.

● (1420)

Mr. Stevens: Mr. Speaker, I will direct my supplementary question to the Acting Prime Minister. Since the Prime Minister expressed his intention of consulting the former Minister of Finance on important issues, can the Acting Prime Minister tell the House whether he has discussed the anti-inflation program with the former Minister of Finance and whether the former minister endorsed the plan as well as the way it has been carried out?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I hardly find it necessary to point out to the hon. member that I am not the Prime Minister.

Some hon. Members: Hear, hear!

ANTI-INFLATION PROGRAM—APPLICABILITY OF PRICE GUIDELINES TO FIRMS IN BRITISH COLUMBIA FOLLOWING REMOVAL OF PROVINCIAL FREEZE

Mr. Edward Broadbent (Oshawa-Whitby): Some of us might be excused for thinking it is a toss-up. Mr. Speaker, I wish to direct a question to the Minister of Finance arising out of a statement by the Minister of Justice and quoted in yesterday's Vancouver *Province*. It seems to clearly indicate that that minister does not believe the government's price control policy will be effective. The Minister of Justice is quoted as saying that "the British Columbia government's price freeze on essential goods and services invites a sudden, wild increase in prices once the freeze is lifted January 1." Can the minister advise whether the federal government's price guidelines will apply to firms in British Columbia that are affected by the temporary price freeze, and whether he expects those guidelines to be effective in limiting price increases to those that may be required strictly on the basis of increased costs?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as has just been pointed out, the effect of the B.C. proposal is that it will dam up actual cost increases for a period of several months but then, under the guidelines, cost increases if justified may be passed on to the customer. In that respect, it seems that the observations of the Minister of Justice, if fairly quoted by the hon. member, are indeed sound.

Mr. Broadbent: To be perfectly clear, Mr. Speaker, is the minister saying that the only increases in price that can be justified in these essential goods and services in the province of British Columbia after January 1 are those related precisely to and not more than the increase in costs? Is that correct?

Mr. Macdonald (Rosedale): Mr. Speaker, that is what the white paper says and what we have been saying for the past two weeks. I again confirm it to the hon. member.

ANTI-INFLATION PROGRAM—REQUIREMENT OF PRIOR NOTIFICATION OF PRICE INCREASES BY BRITISH COLUMBIA FIRMS FOLLOWING REMOVAL OF PROVINCIAL FREEZE

Mr. Edward Broadbent (Oshawa-Whitby): In view of the special circumstances that apply in British Columbia, and in view of the minister's repeated assurances that prior notification and authorization will be required in the case of some proposed price increases, such as those for automobiles, can the minister assure the House that all B.C. firms in essential services who are affected by the price freeze in that province will be required to give prior notification to the anti-inflation board of any proposed price increases after January 1?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, many of those firms, as I recall, particularly B.C. Hydro and the British Columbia Petroleum Corporation, are under the jurisdiction of the province. If British Columbia chooses to participate in the federal program, then increases there will be affected by the guidelines and judgments of the anti-inflation board. As to any other essential services, I would have to look at the list the hon. member has in mind. In general terms, firms with over 500 employees, and I am specifically thinking of petroleum companies, will be affected by the guidelines.

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[*Translation*]

OLYMPIC GAMES

SUGGESTED PARTICIPATION OF ALL CANADIANS IN COST

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the right hon. Prime Minister, I wish to put my question to the Acting Prime Minister.

Considering that the Olympic Games will cost roughly $1 billion and will probably end up with a deficit of several hundred million, could the Acting Prime Minister tell the House whether he intends to take measures so that the deficit incurred for the games will be shared by all Canadians, since all Canada is benefitting from the publicity and international prestige of the games?

[Mr. Broadbent.]

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): There has been no change in the government's policy in this respect. The Prime Minister indicated from the outset that the federal government did not assume any obligation toward these costs. It was prepared to put into effect legislation to help with the financing of the games—and it has done so—but not at the expense of the Canadian taxpayer.

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INDIAN AFFAIRS

REQUEST FOR MEETING WITH NORTHERN QUEBEC INNUIT ASSOCIATION—POSSIBLE EXTENSION OF NEGOTIATIONS FOR ONE MONTH

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and is related to the matter I raised earlier in connection with Standing Order 43. Did the minister receive a request to meet with the Northern Quebec Innuit Association yesterday and was such a meeting, in fact, held?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Such a request was made. I did not meet with them but I did discuss the situation with Charlie Watt, the President of the Northern Quebec Innuit Association at midnight last night. I am happy to report that they had a good day yesterday and indicated they had made substantial progress toward an agreement.

Mr. Holmes: I welcome the minister's comments. Has the hon. gentleman held additional discussions with the other parties involved in the negotiations with a view to extending the time frame for one month. Bearing in mind that the Northern Quebec Innuit Association has indicated that the outstanding issues can be settled within one month, will the minister take immediate action to extend the period of negotiation?

Mr. Buchanan: Basically we are not unsympathetic to the idea of extending the period, but the Grand Council of the Cree is absolutely opposed to any extension and is adamant that we sign the agreement on November 1. I might make an additional point, though. A procedure is being established in the agreement which is being negotiated which will provide for a period of 60 or 90 days during which a referendum would be held among the various communities to determine whether they are in favour of the agreement or against it.

Mr. Arnold Malone (Battle River): Since there has been a marked slow down in the negotiations brought about by the necessity of translating from Cree to Innuit—some of the volumes are about 800 pages in length—would the minister consider granting the Innuit people an extension of 30 days, apart from the Cree? In making this request I would point out that any precedent set here is likely to be followed for generations, and might possibly set a precedent for developments in the Northwest Territories also.

Mr. Buchanan: As I have just stated, the government is not unsympathetic to the idea. But there are seven signatories to the original agreement in principle and there is a proviso that all seven signers must agree. As I pointed out in reply to the previous question, the Cree are opposed to any extension, so we are hung up on that issue.

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EXTERNAL AFFAIRS

ALLEGED OBJECTION BY FRANCE TO ATTENDANCE OF CANADA AT ECONOMIC SUMMIT MEETING—VIEW OF UNITED STATES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Can the minister advise the House whether reports from Canadian officials in Washington are exact when they state that the President of France is still objecting very strongly to Canada's proposed participation in the economic summit to be held in November?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, I cannot confirm any such reports with respect to the position taken by the President of France. The facts are that Canada's candidacy is being supported by a number of the countries already invited to the summit. Not all of them have taken that position, and I understand that one of them which is still outstanding in that respect is France. I hope that any remaining objection will be cleared away. I understand there is concern as to the ultimate size of any such meeting.

Mr. Wagner: Would the minister confirm that President Ford is most favourable to inviting Canada to Paris.

Mr. MacEachen: The Secretary of State, Dr. Kissinger, made it clear when he was in Ottawa that in his view Canada should attend. That policy, obviously, is the policy of the President of the United States also.

* * *

● (1430)

NATIONAL SECURITY

REQUEST FOR DEBATE ON REASONS FOR INVOKING WAR MEASURES ACT IN OCTOBER, 1970—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister and has to do with the shocking revelations made the other evening in an unusually good piece of work by the CBC in connection with the FLQ difficulties of five years ago. In view of the fact that both the premier of Quebec and also the former minister, the Hon. Mr. Kierans, have clearly stated to the people of Canada that there was no serious basis for the action that was taken, and in view of the detriment to freedom in consequence of what was done, will the minister arrange to set aside a date for the House to find out the true facts in connection with what took place?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the interest of hon. members opposite indicates that what I am speaking about has no relationship to their thinking. In view of the fact that the Prime Minister stated some years ago that ultimately the true facts would come out, since they have now done so over the CBC will parliament have the opportunity of discussing a matter which today has all the appearances of applied tyranny?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot accept necessarily the description that the right hon. gentleman has given of the action taken by our former colleague Mr. Kierans, but I would recommend that he read once again the letter that Premier Bourassa wrote to the Prime Minister which is to be found in *Hansard* for October, 1970. It sets out fully the reasons that the premier of Quebec, the mayor of Montreal and all those who had responsibility at that time made a very strong plea to the Canadian government to invoke the War Measures Act. They may have changed their minds now but at that time they were very clear. Perhaps one of the problems is that people do forget the circumstances at the time.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. This is the first time there has been the revelation that the mayor of Montreal and the premier of Quebec determine the course of the people of Canada through the government. The minister still has not answered my question. In order to clarify the matter, not in the ex parte way the minister dealt with the question just now but in order to get the facts and to have Mr. Kierans and the premier of Quebec here, would the minister allow a date to be set aside so we can discuss the matter and determine the facts? Would he also tell the people of Canada whether the strategic operations centre that was described during that broadcast and which took over responsibility from the cabinet for what was called "crisis management"—a kind of CIA—is still in existence today?

Mr. Sharp: Mr. Speaker, may I deal first of all with the suggestion of the right hon. gentleman to set aside a day. I would point out to him that, of course, there are a number of opposition days.

Some hon. Members: Hear, hear!

Mr. Sharp: If the party of my right hon. friend would like to designate one of those days to bring in a motion dealing with this subject, it would have to be accepted by the House and would be a privilege that does not have to be extended by the government. May I also say to the right hon. member quite seriously that it is the intention of the government to bring forward legislation to replace the War Measures Act to deal with civil disorders, at which time the right hon. gentleman and any other member who wants to take part in the debate can go back to history and go forward into the future as they see fit.

Oral Questions

NATIONAL DEFENCE

PETAWAWA—POSSIBILITY OF EXPANDING CAMP AREA INTO QUEBEC—REQUEST FOR PRIOR CONSULTATION WITH LOCAL MUNICIPALITIES

Mr. T. Lefebvre (Pontiac): Mr. Speaker, my question is for the efficient Minister of National Defence. Further to the meeting held last night and the discussions with his officials and others interested in the possibility of expansion of the Petawawa armed forces base, perhaps into Pontiac county on the Quebec side of the Ottawa River, would the minister assure the House that if such expansion is contemplated the local elected councils will be consulted before such plans are finalized?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I did visit Petawawa base yesterday and it is true that we do need to improve and possibly to expand the training area. However, there are no plans to expand the base across the river to the Quebec side. I can assure the hon. member that if in the future there are plans to expand across the river, the consultation that he has asked for will be provided to any officials in the communities that have an interest in the matter.

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ENERGY

MACKENZIE VALLEY PIPELINE—REQUEST FOR FINANCIAL SUPPORT TO ENABLE LOCAL GROUPS TO PARTICIPATE IN HEARINGS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the minister of energy may I direct my question to the Acting Prime Minister. It concerns the National Energy Board pipeline hearings. In view of the fact that the proposed pipeline would have enormous social, economic and environmental effects on the Mackenzie valley, and in view of the fact that certain groups qualified to represent these concerns are prohibited from full participation in the hearings because of lack of funds, would the Acting Prime Minister undertake to supply these groups with sufficient money to enable them to participate fully in the hearings?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. gentleman has used the word "prohibition" which I am sure, on reflection, he would not want to use. As I understand it, the National Energy Board is ready to hear any representations. These may be limited by lack of funds; many of us are limited in that way too. However, I would say to the hon. gentleman that the government does not intend to contribute public funds for this particular purpose.

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HOUSING

REQUEST FOR DETAILS OF NEW PROGRAM

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is addressed to the Minister of State for Urban Affairs. In view of the fact that the government's $500 grant to new home owners has been extended to December 31 of this year in so far as occupancy only is concerned, what sort of program does the minister propose to replace the present program? Will the new comprehensive housing program be introduced into the House, what are the details of such a program, and when will the program be put into effect?

Mr. Speaker: I trust that the minister, in attempting to answer, will skip the part of the question concerning the details of the program.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I hope to be making an announcement next week, and if I indicated what the announcement was now I would be making the announcement this week.

* * *

● (1440)

ADMINISTRATION OF JUSTICE

POSSIBILITY OF MORE STRINGENT BAIL PROVISIONS THAN THOSE IN BILL C-71

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of public concern about the increase in crime and the fact that Bill C-71 calls for tougher laws in relation to applications for bail, will the Minister of Justice now advise the House whether he intends to amend the law to a greater extent than called for in Bill C-71, particularly in view of his recent statement to the effect that he intends to toughen up the regulations in respect of these bail applications?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, there are important provisions in Bill C-71 and discussions are taking place among leaders of the House regarding the passage of that and other bills from this House into committee so we can deal with them. I would hope that Bill C-71 can get to the committee quickly. As to whether I intend to amend Bill C-71 further, at this point this is still a matter of consideration.

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CRIMINAL CODE

GOVERNMENT POSITION ON SEPARATE BILL TO DEAL WITH CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the Solicitor General. In light of the fact the Minister of Justice has admitted that his jurisdiction extends to bringing in amendments to the code, and in light of the fact the Solicitor General has responsibility for the commutation of death sentences to life sentences, will the minister now without equivocation answer the question I asked earlier in the week, namely, if he brings in a bill to abolish capital punishment will he assure the House that it will not be mixed in with amendments to other laws, particularly an amendment involving gun control?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I answered yesterday that it is likely that such a bill would not be put in with gun controls.

Mr. Woolliams: This is the second time the minister has used the word "unlikely", Mr. Speaker. Will the minister without equivocation answer yes or no to this very simple question instead of acting like a wet nurse?

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, when a final decision is made it will be made known to the House. The reason no final decision has been made as yet is that we are still receiving representations on both sides of the question, not only from this party but from members of his party as well.

An hon. Member: That is an unequivocal "maybe".

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FISHERIES

PROTECTION OF SEAL HUNT—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, as a result of the scientific data acquired by the Department of Fisheries in respect of the threat to the seal hunt, will the minister indicate what action he is taking to develop a method of protecting this seal hunt in the future?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I wish to thank the hon. member for his courtesy in giving me notice, and also to take this first opportunity of congratulating him on becoming his party's fisheries critic.

Some hon. Members: Hear, hear!

Mr. LeBlanc (Westmorland-Kent): I can confirm that the scientific assessment of seal stocks is pessimistic. However, I have asked that this be reviewed and reviewed thoroughly. I have had a meeting with the industry, and met yesterday with the Minister of Fisheries for Newfoundland, and also a delegation from the government of Quebec. These are the two provinces most affected. I have asked that our evidence be double checked and triple checked before a decision is made which would affect the fishermen, and I will keep the hon. member informed as we go along.

Mr. Marshall: Mr. Speaker, in view of the further discussions the minister is going to have with Norway and Denmark in this regard, will he take into consideration the importance of the seal fishery and the quotas to landsmen who depend on the seal fishers to supplement their meagre income? Will he assure the House that this will be taken into consideration?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I thank the hon. member for reminding me that we do have complicated international negotiations with Norway and Denmark. These meetings will take place in mid-November. As for tilting the program in favour of the landsmen, the hon. member has understood my instincts. I agree with him.

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FINANCE

PARTICIPATION OF REPRESENTATIVES OF YUKON AND NORTHWEST TERRITORIES IN FEDERAL-PROVINCIAL CONFERENCE OF FINANCE MINISTERS

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Minister of Finance.

Some hon. Members: Hear, hear!

An hon. Member: Welcome back.

Mr. Nielsen: Mr. Speaker, I am very sorry to disappoint my colleagues opposite, but I assure them I am not announcing my intention to run for leadership.

Some hon. Members: Oh, oh!

Mr. Nielsen: My question is directed to the Minister of Finance but it could just as well be directed to the Solicitor General as it refers to the upcoming conference of Attorneys General. Keeping in mind the conference between the provincial Ministers of Finance and the federal government in respect of the so-called attack on inflation, I am wondering how the minister intends to involve the Canadian citizens in the Yukon and Northwest Territories? Have the elected representatives of the people in those territories, through their legislative bodies, been invited to participate in this conference, or is it the intention of the government to impose whatever conclusions or decisions they reach on the people above the 60th parallel from on high here in Ottawa?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am under the impression that there are some elected representatives in this House from that area north of 60. Of course, the interests of those people are represented in this parliament through its jurisdiction over the Yukon and Northwest Territories. I would be glad to confirm with the federal-provincial relations secretariat what arrangements customarily have been made in this regard. My recollection is that in the past there have not, at these meetings of Ministers of Finance, been separate representatives, but I would be glad to investigate the question.

Mr. Nielsen: Mr. Speaker, I would ask the minister to consult with the Minister of Indian Affairs and Northern Development in this respect and to urge upon him the likelihood of gaining a good deal more co-operation in the implementation of his program in the Yukon and Northwest Territories if he would involve the people through the local elected representatives of their legislative bodies, as he is doing with the provinces.

Mr. Macdonald (Rosedale): Mr. Speaker, I appreciate the comment.

Oral Questions

TRANSPORT

GOVERNMENT INTENTIONS WITH REGARD TO USE OF CANADIAN SHIPS TO MOVE OIL FROM ARCTIC

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, now that the Minister of Transport has had two or three days to catch up on the nomenclature of Maritime activities for which he is responsible, I would ask whether it is the intention of the government to close the Arctic exclusively for Canadian shipping in terms of the extractive resource industries there?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we certainly would not close the Arctic to all but Canadian ships. My colleague and I are still not speaking exactly the same language. It is, of course, a matter of importance for us to attempt to have as much Canadian shipping as possible in that development, and that is the general proposition and remains our policy. I would not want to become completely specific by suggesting in absolute terms that no other ship would ever be encouraged there.

Mr. Forrestall: Mr. Speaker, I would ask the Minister of Transport whether it is government policy at this point in time not to interfere with Panarctic's intention to go offshore to Scandinavian countries for the purpose of purchasing three ships in the eventuality of commercial oil being moved from the Arctic to a refinery located somewhere south of the 60th parallel?

Mr. Lang: Mr. Speaker, I would properly treat that as a hypothetical question which at some point I might discuss with my colleague, the minister responsible in respect of Panarctic. However, I would not want to rule out the specific purchase or use of ships from offshore in any circumstance, and I want to say that frankly to the hon. member. After all, there are times when our Canadian shipbuilding facilities may be fully taxed, and at that particular point one would encourage going offshore in order to have the ships. I just use that as an example.

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ABORTION

INCLUSION OF STUDY OF FAMILY PLANNING FACILITIES IN TERMS OF REFERENCE OF COMMITTEE ON ABORTION

Mr. F. A. Philbrook (Halton): Mr. Speaker, I would like to direct a question to the Minister of Justice regarding the new committee studying therapeutic abortions in Canada over the next six months. Will the committee equally be studying the adequacy of family planning facilities in all areas as a means of preventing the need for abortions in the first place?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the other day I tabled the terms of reference of the committee, and there is consideration being given in those terms of reference to that issue.

[Mr. Macdonald (Rosedale).]

● (1450)

CANADIAN PACIFIC RAILWAY

ALLEGED SCRAPPING OF FREIGHT CARS—REQUEST FOR INVESTIGATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to address a question to the Minister of Transport and ask him if he would investigate the fact that CPR has been reducing its rolling stock by scrapping freight cars every day, many of them in good condition, a program which is contrary to the understanding which the minister had with the railways and which has led to the layoffs of almost 1,000 people in Winnipeg?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I did some preliminary investigation when we purchased hopper cars. It was, of course, with the understanding contained in the subsequent agreement that the removal of regular cars could not be accelerated. It was never contemplated that all cars would be kept in service. I am told that so far as the CNR is concerned that agreement is being adhered to, and I believe it may also be true in relation to CPR, but we are looking further into that.

Mr. Orlikow: In view of the fact that there have been virtually no layoffs by the CNR but substantial layoffs in many cities in Canada by CPR, would the minister look into the question of whether CPR is in fact adhering to the agreement at which they arrived with the minister three years ago or whether CPR is exempt from following agreements and understandings which they made with the Government of Canada in good faith?

Mr. Lang: Of course, they are not exempt, and I have indicated I have begun and will continue to look into that question. The layoff situation on the railways is in part due to the economic slow down in the economy and therefore a modification in the use of cars. When cars are used to a lesser extent, the repair required for those cars is also reduced. I think that explains some of the layoffs.

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ADMINISTRATION OF JUSTICE

ACTION TO DEAL WITH VIOLENCE IN HOCKEY—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Justice. Will the minister be communicating with his provincial counterparts in light of the strong representations made with respect to violence in hockey in light of the protest by Bobby Hull last weekend? Will he be conferring with his provincial counterparts to ensure that similar action is taken in the various other provinces?

Hon. Ron Basford (Minister of Justice): I understand that what Mr. McMurtry has done has been to instruct Crown counsel and police to take action under the existing law to deal with the question of violence in hockey. I would urge that all other attorneys general follow Mr. McMurtry's lead in this, but so far as I understand the situation Mr. McMurtry is not requesting of me any

change in the criminal code. He is simply asking officers within his jurisdiction to enforce the law, and that would seem to be a good idea.

Mr. MacDonald (Egmont): I am very pleased at the answer of the Minister of Justice. In view of the fact that his own feelings are identified with those of the attorney general of Ontario, would he take the time and trouble to clarify this matter with the other provincial ministers who are responsible in this area in order that definite action be taken with respect to what has grown to be a very difficult and bad example for young people all across this country?

Mr. Basford: In respect of the proper jurisdiction of provincial attorneys general, all that would be appropriate for me to do would be to draw the attention of the provincial attorneys to the remarks of Mr. McMurtry.

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[*Translation*]

AGRICULTURE

MEASURES TO MAINTAIN PRICE OF BEEF—CONSULTATION WITH PROVINCES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a supplementary for the Minister of Agriculture.

Considering that last year the federal government, in agreement with the provinces, helped the beef producers because the price of beef was too low and that this year the price of calves is still lower than last year, could the minister advise us whether he proposes to meet his provincial counterparts to discuss this matter, in order to restore reasonable prices or to give a reasonable subsidy to the producers so that they can continue their production this year?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the program that I announced the other day is similar to the one we had last year. That one, instead of finishing next August, is finishing this year, December 31, and a new program will be drafted beginning January 1, for the fiscal year. I understand that a consultative committee made up of deputy provincial ministers will be meeting in Ottawa to discuss this and other stabilization programs for agriculture.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I have a supplementary.

Would the minister tell the House whether this new program the federal government will establish with the provinces will be a long term program aimed at compensating the producers for the chaos they were in in recent years as far as beef production is concerned?

[*English*]

Mr. Whelan: Mr. Speaker, the general principle of proper stabilization is to take the bust and boom out of agriculture.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTED APPLICATION OF WAGE GUIDELINES TO DIVIDENDS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of Finance. Is the government reconsidering its guidelines relating to dividends and specifically is it now on the point of agreeing to the suggestion I made in the House on October 16 to the effect that the freeze on dividends be lifted and that dividends and wages be subjected to the same sort of guidelines, that is 10 per cent and $2,400?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I can say to the hon. member that we have been considering a number of changes in the guidelines and that the representations with respect to dividends, among others, are under consideration. I hope to be able to make an announcement, probably in the course of committee hearings on the bill next week.

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FINANCE

ARRANGEMENTS FOR DELIVERY OF SAVINGS BOND DIVIDEND CHEQUES IN VIEW OF POSTAL STRIKE

Hon. Donald S. Macdonald (Minister of Finance): While I am on my feet I should like to respond to a question put yesterday by the other hon. member from southern Vancouver Island about Canada savings bonds. We do indeed have under negotiation with the chartered banks an alternate system for getting the November 1 interest payments on Canada savings bonds into the hands of the recipients, we hope, by the end of this week or early next week.

* * *

POST OFFICE

GOVERNMENT POSITION ON DURATION OF STRIKE AND POSSIBILITY OF INTRODUCING BACK TO WORK LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the absence of the Postmaster General I should like to ask the Acting Prime Minister about progress in the negotiations on the postal strike. Since the statements by the Postmaster General indicate that the major issues have not yet been dealt with, can the Acting Prime Minister give the House an estimate of how long negotiations will continue, and would the government reconsider its refusal to restore postal service while negotiations are going on?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, my understanding is that the negotiations are proceeding. They broke off today about noon and will be resumed at four o'clock. Progress is being made. I think that a statement such as the hon. gentleman asks me to make at this time would do nothing to advance the negotiations.

Oral Questions

TRANSPORT

DATE OF ANNOUNCEMENT OF POLICY FOR SOUTHWESTERN ONTARIO

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Transport. Has he had an opportunity since the time of his appointment to acquaint himself with the problems of the people of southwestern Ontario who have been without adequate public transportation since the government allowed the railways in 1971 to discontinue passenger service in the area and, if so, when will he be making the government's long awaited and much promised announcement of a public transportation policy for the area?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have had occasion to look at quite a number of aspects of transportation in the southwestern Ontario area. There are some studies going on into a variety of questions there, including questions of improved rail service and studies with the province of Ontario in relation to transport in that area. Of course, the province of Ontario has significant responsibilities in the field as well and that should not be forgotten. At this point I do not have a date and I cannot predict the time of the announcement of further measures, but I can assure the hon. member that we are looking at the over-all situation very closely.

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FOREIGN INVESTMENT

EFFECT OF REFUSAL OF BID BY WHITE CONSOLIDATED TO TAKE OVER WESTINGHOUSE—GOVERNMENT ACTION TO PROTECT JOBS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I should like to direct my question to the Acting Prime Minister regarding the gun that White Consolidated Industries is pointing at the head of the government with regard to the deal of Westinghouse. I should like to ask the Acting Prime Minister, in light of the urgency and importance of the matter, whether he and members of the cabinet have met with White Consolidated, General Steel Wares, Westinghouse and the union involved and, if so, whether this entire matter has been resolved to ensure the protection of 2,300 jobs. Can he report anything in that regard?

Hon. Mitchell Sharp (Acting Prime Minister): I cannot report it quite as definitely as the hon. gentleman has asked for in his question. However, various members of the government have been concerned about this issue, and we have had some consultations collectively about it. I am not certain what the next step should be. We have been in touch with some of the parties concerned, but we have not met them collectively.

● (1500)

Mr. Alexander: I am very surprised that the Acting Prime Minister should indicate he is not sure what the next step should be, keeping in mind that this matter must be resolved by October 31, which is the deadline in terms of the option to purchase. After all the discussions the minister has had, can he now assure this House that this matter will be resolved by October 31? If not, this whole contract will be frustrated, and therefore 2,300 jobs will be in jeopardy. Can he assure this House that the matter will be determined by the 31st of this month?

[Mr. Sharp.]

Mr. Sharp: I would like to be able to give that assurance; however, as the hon. gentleman knows, we do not have the necessary authority. For example, we had certain authority, in connection with the takeover bid, to make a decision. I do not think because of a lack of constitutional and legal authority we have authority to require any of the parties to take any particular action. However, we are trying as much as we can to bring about the same objective as the hon. member has in mind.

Mr. Hnatyshyn: Mr. Speaker, I should like to raise a point of order with respect to what is anticipated to be the controversial report of Mr. Justice Bayda on west coast grain handling. On October 17, the Minister of Labour (Mr. Munro), in response to a question asked by me, indicated in the House that he would be tabling this report within a week. I now discover that the report, which suggests a special tribunal be set up to enforce stiff penalties on management of labour groups involved in illegal grain handling disputes, has in fact been leaked. It seems to me that if this report is in fact ready, the government has an obligation to lay it upon the table so that all members of parliament and the public may see it in the ordinary course of events, rather than having it come through some kind of leak through the press.

Mr. Leblanc (Laurier): Mr. Speaker, the report referred to by the hon. member has been received and is being reviewed by the department. It should be tabled within a few days.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,964, 3,012, 3,053, 3,068, 3,123 and 3,168.

[*Text*]

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 2,964—**Mr. Cossitt:**

1. What is the annual estimated cost of all aspects of the swimming pool at the Prime Minister's official residence and of the underground tunnel leading thereto including (a) heating, fuel and electrical power (b) water and cleaning and purifying (c) salaries of all full or part-time staff involved?

2. In each case, will all such costs be paid for from public funds?

3. What is a complete list of all the items of furniture, carpets and appertinences including (a) saunas (b) bars and bar equipment (c)

kitchen and kitchen equipment (d) all other items of any kind purchased for the swimming pool and, in each case (i) what is the exact price (ii) who paid for each item?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 1,233.

MR. ALFREDO F. CAMPO

Question No. 3,012—**Mr. Huntington:**

Since 1968, has Mr. Alfredo F. Campo, Director of Power Corporation of Canada Ltd. been or is he a member, officer, director or in any way whatsoever associated with (a) a Crown corporation (b) the government (c) a department, agency, advisory board, council or committee and, if so (i) what position did he or does he hold (ii) with what corporation, department, agency, advisory board, council or committee (iii) between what dates (iv) was the position attained by appointment, contest, promotion or through a personnel agency (v) if by appointment, by whom or by what authority was he appointed?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Energy, Mines and Resources as follows: (a) No information. (b) See below. (c) Yes. (i) Member. (ii) National Advisory Committee on Petroleum. (iii) January 30, 1970 and January 17, 1975. (iv) By appointment. (v) Minister of Energy, Mines and Resources.

SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

Question No. 3,053—**Mr. Brisco:**

1. Has the Department of the Secretary of State or the Department of Consumer and Corporate Affairs ever asked the Department of National Revenue to investigate the Society for the Study of the Heritage of Canada and (a) if so, for what reason (b) if not, for what reason?

2. What form of investigation has been conducted by the Department of Consumer and Corporate Affairs into the affairs and business practices of the Society and what were its findings?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) Consumer and Corporate Affairs has not requested the Department of National Revenue to investigate the affairs of the Society for the Study of the Heritage of Canada. (b) Consumer and Corporate Affairs had no reason or justification to request such an investigation.

2. Consumer and Corporate Affairs has conducted an accounting investigation into the affairs of the company. Except as noted hereunder, a complete audit of the company's books and records failed to disclose any irregularity or impropriety, including the grants obtained from the Secretary of State. One particular transaction, however, deserves closer scrutiny and the Superintendent of Bankruptcy has requested the R.C.M.P. to investigate.

1 and 2. The Department of the Secretary of State has not asked the Department of National Revenue to investigate the Society for the Study of the Heritage of Canada. The reason for this is that the Society, in receiving funds from the department in previous fiscal years, met the required procedures in submitting budgetary and other necessary information, before and after their projects took place.

Order Paper Questions

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,068—**Mr. Cossitt:**

With reference to the answers to Question No. 2,691 which stated in part that the question of the construction of the swimming pool at the Prime Minister's residence, 24 Sussex Drive, at public expense by the National Capital Commission was once raised (a) was it raised by the Prime Minister or anyone acting on his behalf and, if so, on what date and what are the names of all those involved in such discussions (b) was it raised in conversation between the Prime Minister and the Chairman of the National Capital Commission on November 13, 1974 (c) what are all the reasons the National Capital Commission declined to build the pool and what is the name and job designation of any person making such decision (d) how much money has been spent by the National Capital Commission in regard to construction of the swimming pool or any other matters whatsoever such as landscaping, etc. arising from the pool construction?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 1,233.

MR. MARCEL ROUSSIN

Question No. 3,123—**Mr. Cossitt:**

1. What is the complete employment history of Mr. Marcel Roussin with the Public Service including (a) all positions held (b) dates appointed (c) salaries received (d) qualifications for each specific job?

2. Does Mr. Roussin hold a position with the Department of External Affairs in charge of the bilingualism programme and, if so (a) does any of his work involve compiling, collecting or in any other manner gathering information on the attitudes of employees towards bilingualism (b) where does he file such information (c) has he at any time verbally or in writing characterized individuals critical of the government's methods of instituting bilingualism as "enemies" (d) what are all specific details that would justify such a remark (e) has he in any way compelled or had a part in compelling certain divisions of the Department to undergo French language training despite the fact that the need was considered negligible or nonexistent and specifically does this include the Materials Management Division and the Financial Administration Division?

3. Is it part of Mr. Roussin's duties to circulate among various divisions of the Department interrogating various offices on the subject of bilingualism and, if so, what is the exact location of the filing system kept of such interrogations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1.

(a) Positions	(b) Dates appointed		(c) Salaries
Advisor on Bilingualism; External Affairs Department	May	1969	$14,113–$23,891
Head of Index Branch (French); House of Commons	July April	1968 1969	$13,890
Head of Recording and Transcribing Service; House of Commons	July June	1965 1968	$ 9,620–$12,590
Committee clerk; House of Commons	December June	1961 1965	$ 6,480–$ 7,650
Translator; Secretary of State	February September	1959 1961	$ 5,880–$ 6,420
Executive Assistant (Solicitor General); Department of Justice	July January	1958 1959	$ 7,500

Order Paper Questions

(a) Positions	(b) Dates appointed	(c) Salaries
Translator; Secretary of State	January 1956 June 1958	$ 4,770–$ 5,880
Research Assistant; National Research Council	October 1942 January 1956	$ 1,380–$ 4,720
Clerk; Department of Munitions and Supplies	December 1941 October 1942	$ 1,080
Clerk; Federal Bureau of Statistics	August 1941 December 1941	$ 720

1. (*d*) Qualifications: Advisor on Bilingualism—External Affairs Department: Competition qualifications: University graduation, preferably in one of the Social Sciences; administrative experience, knowledge of federal government administrative practices. Mr. Roussin's qualifications: Academic: BA (1938) Séminaire de Joliette, Licence (1941) Political Science, University of Montreal; MA (1942) Political Science, University of Ottawa; Ph.D. (1945) Political Science, University of Ottawa. Administrative experience; knowledgeability, Head of Index Branch (French), House of Commons, 1968-69; Head of Recording and Transcribing Service, House of Commons, 1965-68; Committee Clerk, House of Commons, 1961-65; Translator: Department of the Secretary of State, 1956-61. Head of Index Brand (French), House of Commons; Competition Qualification: University degree; linguistic competence. Mr. Roussin's Qualifications: See above. Head of Recording and Transcribing Service, House of Commons: Competition Qualifications: University degree; linguistic competence. Mr. Roussin's Qualifications: See above. Committee Clerk, House of Commons: Competition Qualifications: See above. Translator, Department of the Secretary of State: Competition Qualifications: See above. Executive Assistant (Solicitor General), Department of Justice: PC appointment. Research Assistant, National Research Council: University degree. Clerk, Department of Munitions and Supplies: Competition Qualifications: Secondary School Diploma; Mr. Roussin's Qualifications: See above. Clerk, Federal Bureau of Statistics: Competition Qualifications: Secondary School Diploma; Mr. Roussin's Qualifications: See above.

2. (*a*) No. The Advisor on Bilingualism does not gather information on the attitude of employees towards bilingualism. (*b*) Not applicable. (*c*) The Advisor on Bilingualism has at no time in writing characterized individuals as suggested in the question, nor can he recall having done so verbally. (*d*) Not applicable. (*e*) No. The scheduling or language training is the responsibility of the Personnel Planning and Development Division.

3. The duties of the Advisor on Bilingualism do not include "interrogating" various officers on bilingualism. His mandate authorizes him to make recommendations to the Department concerning its responsibilities under the Official Languages Act and, in this connection, he may, from time to time, consult departmental officials both at headquarters and abroad.

[Mr. MacEachen.]

FARRIS INQUIRY

Question No. 3,168—**Mr. Reynolds:**

1. Were any of the three prisoners who held the hostages called as witnesses before the Farris enquiry and, if not, for what reason?

2. Were any of the staff at the Penitentiary who volunteered information to the enquiry Solicitor Mr. Rowan and had private meetings with him called as witnesses before the enquiry and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): The Commission of Inquiry appointed by the Commissioner of Penitentiaries under the authority of section 12 of the Penitentiary Act operated independently of any direction from the Ministry of the Solicitor General and subsequently made its own decisions on the conduct of the inquiry. However, the information provided hereafter was obtained from Mr. John Rowan, the solicitor for the commission. 1. No. Two of the prisoners declined to testify and the third refused to testify on certain essential portions of the events and therefore the decision was taken not to call any of these persons as witnesses.

2. Yes. In the case of those who were not called as witnesses, the reason varied in accordance with the individual witness but essentially, the evidence was peripheral or redundant.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 2,432 and 2,541 could be made orders for return, these returns would be tabled immediately.

I ask that questions Nos. 2,985, 3,092 and 3,093 be made orders for return, and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

[*Text*]

INCIDENCE OF CONTAGIOUS OR INFECTIOUS DISEASES IN CANADA

Question No. 2,432—**Mr. Jones:**

1. What was the reported incidence of (a) tuberculosis (b) diphtheria (c) venereal disease (d) parasitic disease in each province for each of the past ten years?

2. In how many cases where each such disease was discovered was the party a recent immigrant (within five years) to Canada?

3. What steps are being taken to ensure that food handlers and persons in jobs of that nature, who come in contact with the public directly or indirectly, do not have contagious or infectious diseases?

4. Is there any national coordination between public health doctors, nurses and other public health authorities to ensure that there is no complacency about contagious or infectious diseases?

5. (a) How many new cases of leprosy were found in Canada in 1973 and 1974 (b) how did such cases arise (c) in what locations did those who contracted the disease come from (d) with whom did they come in contact to contract the disease?

6. Does Canada have a school which specializes in tropical medicine?

7. (a) What diseases are classed as communicable (b) which ones require (i) notification to the public health departments (ii) isolation of patients (c) are the (i) parents (ii) contacts and/or carriers quarantined (d) what are the other requirements with respect to each such disease (e) who is responsible for enforcing regulations with respect to such diseases?

8. What is the responsibility of the government departments with respect to the various communicable, contagious and infectious diseases?

Return tabled.

GOVERNMENT GIFTS TO OTHER NATIONS

Question No. 2,541—**Mr. Beatty:**

1. Since January 1, 1970, what gifts of more than a $50 cost to the taxpayer were given by the government and its officials to representatives of foreign governments for their personal use or the use of their families?

2. In each case (a) what was the cost of the gift to the taxpayer (b) to whom was it given (c) on what date was it given (d) by whom was it given (e) for what reason was it given?

3. What is the policy of the government respecting gifts paid for by the government and given to representatives of foreign governments and how are Canadian officials informed of this policy?

Return tabled.

PUBLIC RELATIONS STAFF AND COSTS

Question No. 2,985—**Mr. Beatty:**

1. By year since 1968, when the Prime Minister came to office, how many people have been engaged in public relations on behalf of the government for each (a) department (b) agency (c) board (d) Crown corporation and, in each case, what has been the cost?

2. For the same period, how much money has been spent on advertising on other information programmes not covered in Part 1 and what are the component parts of these costs?

Return tabled.

COMPUTER STORAGE OF INFORMATION

Question No. 3,092—**Mr. Beatty:**

1. For each (a) department (b) agency, what (i) statutes (ii) guidelines (iii) regulations govern the giving or witholding of information requested by private individuals or organizations?

2. In each case (a) what is the substance of the (i) statute (ii) guideline (iii) regulation (b) by whom were they prepared or issued and on what date?

3. In each case, what effect has increased computerization had upon the (a) ability to meet private requests for information (b) cost of providing such information (c) frequency with which requests are made?

4. In each case, what is the general practice with respect to the (a) maintenance (b) destruction of manual files when the essential information within them has been computerized?

5. In each case, has the experience with respect to computerization been similar to that noted in the United States by a study for the National Academy of Science which determined that strictly factual files were most likely to be the first to be computerized while those containing subjective information were likely to remain in manual files?

6. In each case, how many computers are (a) owned (b) rented by the government?

7. In each case, approximately what percentage of information stored for more than one month is (a) stored in a computer (b) stored manually (c) both?

Unemployment Insurance Act

8. In each case (a) what is the present annual budget for automated data processing (b) how many man-years of labour are included in this figure?

Return tabled.

COLLECTION OF INFORMATION

Question No. 3,093—**Mr. Beatty:**

1. For each department or agency, what (a) statutes (b) guidelines (c) regulations govern the (i) collection of information (ii) use of information about individuals or organizations?

2. In each case (a) what is the substance of the (i) statute (ii) guideline (iii) regulation (b) by whom were they prepared or issued?

Return tabled.

[*English*]

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

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

Mr. Speaker: Is that agreeable to the House?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Tuesday, October 28, consideration of the motion of Mr. Andras that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, when I called it ten o'clock last evening I was reminding the minister that during the speeches given by my colleagues, and especially during the speech given by the spokesman for our party on this issue, the hon. member for Hamilton West (Mr. Alexander), there were numerous very positive, reasonable and worth-while suggestions made as to how this legislation might be further improved. I suggested to the minister that he would be serving his own interests, the interests of the country and the interests of all Canadians if in fact during the course of the committee deliberations he were to look favourably on these suggestions which would improve the legislation even further.

These amendments are certainly necessary. It is agreed that the Unemployment Insurance Act as introduced in 1971 can only be described as a mess. It has cost the Canadian public many hundreds of millions of dollars, and improvement is long overdue. I am sure that no member of parliament or, for that matter, many Canadians, would seriously quarrel with the principle of unemployment insurance, that is, the principle that insurance should be provided to deal with the consequences of involuntary unemployment. However, I believe there has grown up amongst the Canadian people a vast amount of confusion and, indeed, resentment over vacillating government policies which on one hand give at one period of time, and on the other hand take away at another time.

The Prime Minister (Mr. Trudeau), in his Thanksgiving Day speech to the nation calling for severe restraint, stated:

> All over the world, people are caught in the grip of what some have called the revolution of rising expectations. We have come to expect that there is some magic by which we can have cheap and plentiful food, energy, housing and government services, together with an ever improving standard of living. We expect this as a matter of right, regardless of how successful or unsuccessful we are in increasing our production of goods and services.

It is my opinion, and I am certain this feeling is shared by a great many citizens of Canada, that this Liberal government must take the major share of the responsibility for these rising expectations of the people of Canada. The Unemployment Insurance Act is only one example of Liberal government policies which have led the Canadian people to raise their expectations of government services to the point where the government is now calling for a program of restraint which, as the Prime Minister stated, is the heaviest imposed upon Canadians since the Second World War.

There are three measures in the proposed legislation which embody the principle of restraint. The first is an increase from three to six weeks in the period of disqualification for those who have quit, have been fired from their jobs or have refused suitable employment. I believe this provision is an improvement over the present legislation; it will undoubtedly reduce the number of abuses in respect of unemployment insurance benefits. The other two measures, termination of benefits at age 65 and the reduction of benefits to low income claimants, while contributing to restraint to some extent cannot, I feel, be justified on either economic or ethical grounds.

Let me expand on this point. Those in the labour force over age 65 have only a 10 per cent participation rate in the unemployment insurance scheme. Even if this entire group was receiving unemployment insurance benefits at the average Canadian rate of $74.61 per week for 15.9 weeks—and I emphasize that all these points are highly unlikely and have been overestimated—the total saving to the Government of Canada would be $2.77 million, or .07 per cent of this year's deficit. That is hardly significant, Mr. Speaker, in terms of employed persons over age 65. I believe the benefits to the government, whatever they may be, do not outweigh the detrimental effects felt by these persons. The provision to do away with the special benefit rate for low income claimants will affect those in dire circumstances, those to whom the benefits are most useful. In these three amendments we see measures which embody the principle of restraint. But can this restraint be justified when it affects the poor and the aged, those least able to bear the added restraint?

● (1510)

When the amendments to the Unemployment Insurance Act were debated in committee in 1971, some opposition was expressed to the provision of retirement benefits since these were not seen as falling within the principle of unemployment insurance with respect to interruption of earnings. This opposition was brushed aside by the government, however, and the provision for retirement benefits was passed. I do not wish to seem unconcerned about the plight of our senior citizens; indeed, this concern has been expressed a great many times. But I wish to make the point that this is a concrete example of the government's contribution to the "revolution of rising expectations". The government puts the blame on the Canadian people for their rising expectations, while their policies contribute directly to this attitude: they give with one hand and take away with the other.

I have said that I approve of the provision to increase the disqualification period from three weeks to six weeks as I feel it is, taken over-all, a valid vehicle for restraint. Moreover, I feel it will contribute to shoring up the Unemployment Insurance Act in the badly needed area of work incentives. Indeed, this is the only amendment proposed for the Unemployment Insurance Act which is designed to deal with the problem of work incentives. The inclusion of work incentives goes back to the basic principle of unemployment insurance, one which has been debated many times over the past few years but which has become even more pressing as the cost of operating the Unemployment Insurance Act becomes more and more prohibitive. This principle concerns, of course, whether the payment of unemployment insurance benefits should be regarded as strictly insurance or whether it should include aspects of income supplement.

My colleague, the hon. member for Hamilton West, and others who have spoken in this debate have asked to what degree the Unemployment Insurance Act as presently constituted has undermined the work ethic in this country. The idea has been pooh-poohed by some, but not by those who have looked objectively at the effect on unemployment insurance. The destruction of the work ethic is something all Canadians should be concerned about. It represents a change in our society which is not an improvement.

Concern has been expressed about young people who show no concern for their future, about the degree of vandalism which is apparent, and about the disrespect for many features in our system. The statistics are alarming. I would not suggest that the Unemployment Insurance Commission is causing this, but I think it would be foolhardy not to recognize that the change in our sense of responsibility, in our appreciation of the importance of work, in the importance of initiative, and of being responsible each for his own welfare, has contributed to a general breakdown in our traditional patterns. If there is any improvement in conditions at all, it is an accident and is not due to the clear direction of this government.

The other aspect of the deterioration of the work ethic in this country is the drop in productivity of Canadian

labour. Recent statistics show that the drop has been dramatic in the last couple of years, and in fact is negative for the first time since figures have been recorded. The effects on our economy and our standard of living are extremely serious. It would be unfortunate if those in charge neglected the possibility that misconstrued and maladministered programs such as the UIC have contributed directly to that drop in productivity.

I would suggest that this government are taking an about-turn on the principle of unemployment insurance, not on the basis that they are concerned about the work ethic but, rather, on the grounds that the cost to the government is unwieldy and that the present act contains features which have undesirable effects on the work ethic. There is no question that the cost of the Unemployment Insurance program is becoming prohibitive. Benefit payments in 1974-75 amounted to $2.3 billion, with the government picking up $700 million. Benefit payments in 1975-76 are expected to exceed $3.75 billion, placing a total cost on the government of approximately $1.75 billion, an increase of 150 per cent over the previous year.

As to work incentives, while we support the extended disqualification period, the Progressive Conservative Party has proposed a measure which we feel would more directly contribute to fostering the incentive to work. We have suggested for some time that eligibility for unemployment insurance be based on an extended period in the work force. In the 1971 debate on amendments to the Unemployment Insurance Act, we proposed that the eligibility period should be at least 12 weeks and not the eight weeks that is currently required. This extension would ensure that unemployment insurance would be directed to those who were securely tied to the work force, and as such it would be unemployment insurance and not just another welfare program open to public abuse. Such a measure would also contribute to restraint in a way that would be universal, and would not bear only on those least able to pay, as in the case of the aged and the poor.

I believe that the most valid criticism of the current proposals to amend the Unemployment Insurance Act can be made on the basis that the government openly courted rising expectations on the part of the Canadian people by opening the terms of reference of unemployment insurance benefits to include welfare payments as well as insurance against involuntary employment. Now that they have reaped the harvest of their policy, prohibitive costs and abuses due to work disincentive, they turn around and call for restraint on the part of the people of Canada. These restraints, however, would affect those least in a position to practice restraint.

In addition, the government has abdicated its responsibility for rising unemployment in Canada and the ensuing rising cost of unemployment insurance benefits. This has been accomplished by establishing a new unemployment benchmark, thereby ensuring that little or none of the additional cost of unemployment insurance will fall on the federal treasury in years ahead. Originally, the government arranged to lift the ceiling on its contribution to unemployment insurance benefits as the true cost of their 1971 amendments started rolling in and the ineffectiveness of their economic policies began to show up in unemployment figures, and now they have arranged to bury federal government contributions by adding them as a direct tax on the Canadian people. It has been estimated that this new tax in the form of increased UIC payments will amount to $89 or more annually on the wages and salaries of Canadians.

● (1520)

If the government were really concerned about workers in Canadian society it would use all its expertise and experience to devise means for bringing more Canadians back into the work force. It would do this by utilizing all the resources of Manpower, by encouraging work and by incentives, and not, as can be seen in these amendments, merely by working out ways to finance unemployment insurance schemes at the expense of people who are low on the wage scale.

As justice must be seen to be done, and not merely done, so the government must devise amendments to the act which will instil confidence in all Canadians, those who are working and paying for these benefits, employers and those who are in the unfortunate position of having to collect benefits. Measures are needed to tighten the eligibility for benefit. More effort must be put into finding jobs for the unemployed, and the administration of the Unemployment Insurance Act must be improved for the sake of those rightfully receiving unemployment benefits.

Additional provisions must be enacted to curb abuses of the unemployment insurance system. One method that would accomplish this would be to base eligibility on both earnings, and the number of weeks employed during the full 52 weeks of the previous year. This provision would have the advantage of removing from the unemployment insurance rolls those seasonal workers who earn as much for working several months of the year as do some workers who work a full year and are laid off. This amendment, I feel, would bring a semblance of equity into the act, which is long overdue in the eyes of the Canadian public, employees and employers. I think most members could tell stories about people in their constituencies whose incomes are very healthy indeed. Because these people earn their income in less than a full year, they are entitled to go on unemployment insurance for the remainder of the year when they are not working. Technically, I suppose, these are not abuses because the act allows it to happen. Nonetheless, one can see that this is unfair. It creates a great deal of resentment on the part of those not so fortunate as to take advantage of the act in this way.

Secondly, the UIC must put more effort into the quick and effective reabsorption of unemployed workers into the labour force. This it can do only with a fully integrated program with the Department of Manpower. We have all, undoubtedly, as members of parliament, had brought to our attention numerous cases of the damage done to our constituents by the inability of the Unemployment Insurance Commission and the Manpower department to provide assistance to the jobless in finding employment. In some cases this has been caused by lack of integration of programs and, on the other hand, by duplication of programs. These anomalies could be erased somewhat if the Manpower department and the Unemployment Insurance Commission were to merge and if the unemployed receiving benefits were counselled on a regular basis.

The final point I should like to make regarding the present amendments to this act is on the question of administration. Even if the legislation were to contain all the amendments proposed on both sides of the House, I say that unless the act is well administered it is of no practical use. During the last couple of years the administration of the present act has been a source of numerous complaints. I have been a member of this House since 1972, and—I am sure other members will agree—by far the largest percentage of our constituency mail involves complaints about the payment of UIC claims. Surely, some simplification of procedures and forms can be instituted in the department to allow the average citizen to complete the requirements of the department without such difficulty. As it stands now, you must practically have had a higher education to fulfill the requirements of the commission.

I have outlined some of the features of which I think the government should take serious note. These are not paltry objections but, rather, ones which concern all Canadians, especially all Canadian taxpayers who are confused and resentful of the government's policies and the objects of the unemployment insurance scheme. I hope and trust that the government will give my views and the views of my colleagues their careful consideration, and that our joint discussions will result in a more equitable unemployment insurance scheme. As I said at the beginning, the majority of Canadians support a true insurance scheme which protects those who, through no fault of their own, are unemployed. By the same token, abuses made possible by mismanagement in the past and poor administration have built up a huge reservoir of resentment. This resentment must be removed. These abuses have deteriorated the sense of worth and purpose in this country and they have deteriorated the work ethic. The side effects have been serious.

The difficulty will be resolved, I suggest, if the government gives serious consideration to our suggestions. If it does, I suggest that this bill will receive quick and easy passage through the committee stage and all Canadians will benefit. But until we see a willingness on the part of the government to listen, I can only echo the remarks of my colleague from Hamilton West. We intend to vote against this legislation on second reading. Nevertheless, we hope that the committee deliberations will encourage us to vote in favour of the bill on third reading.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, may I put on the record this afternoon some of my thoughts concerning the UIC program and this bill. Surely amendments brought forward at present and in future are designed to streamline and clarify the law. We need to cut down abuses and to shift some of the benefits of the program from those who are casually attached to the labour force to those who are permanently attached to the labour force. This bill deserves the support of the members from all parties, for we must help those who need help most.

I am disturbed to hear some of the bitter attacks made on the UIC both inside and outside this House. What is the alternative to UIC? I wonder if municipalities in parts of the country where unemployment is high have the tax base to fund the type of welfare program which would be needed in the absence of UIC. I suspect that the strongest supporters of UIC are municipal councillors across Canada.

I hope I can make clear that we are considering some of the first amendments which will be brought down, for the act will be under continuous review. In future, there will be additional amendments to the UIC program which will need consideration. I certainly support the amendments presently being brought forward. These amendments are designed to eliminate the inequities and complexities inherent in the act. I agree with the hon. member who spoke previously: the act is complex and difficult to administer. These complexities and difficulties have given rise to many borderline cases, as the act does not always define clearly who is or who is not eligible for benefit. This lack of clarity has meant that people in our constituency offices, our staffs in the House and people in UIC offices, must spend much of their time dealing with marginal cases. Sometimes it is difficult to determine who qualifies for benefits.

I am particularly pleased with the amendment designed to eliminate disincentives—disincentives which, perhaps, may be associated with the present legislation. It is essential for the UIC program to be credible; its success depends to a large extent on public support and public opinion. I trust that these amendments will do much to increase public support.

I am concerned about the treatment of people leaving jobs voluntarily. It is apparent that some people engage in job misconduct. They are subsequently fired, only to receive benefits. I am concerned, also, about the high percentage of people refusing job opportunities. The present bill deals with these matters. Surely it should be the basic approach of the UIC program that we shall provide income to those who are unemployed against their will, provided that they have qualified for entitlement to benefits through previous attachment to the work force. That, surely, is what the amendments and the bill are all about.

● (1530)

I do not have as much difficulty with the amendments to the act as some members, in terms of eliminating from the act some of the provisions covered in other social legislation. If we approve of the amendments put forward, our Unemployment Insurance Act will be improved considerably. These amendments provide a greater amount of assurance against unemployment, as opposed to compensating someone with retirement income or the many other things factored into it. In this manner, assurance against unemployment will lead to stronger public support, in effect, this means the UIC act will be considerably easier to administer.

I am particularly pleased that introduced in the amendments is the payments of improved sick benefits. Nearly every other member of this House, plus myself, made representations on this amendment. Some of the most difficult and time-consuming cases we as members of parliament deal with are those pregnancy leaves where difficulties after the birth occur, or where a person has been sick, returns to work and gets sick again. Experience seems to indicate that the second illness may be more severe and prolonged than the initial one. This works great hardship on the individual concerned. Many times these people have no other income protection for sickness. It is a great step forward that improved more flexible sick benefits are included in the amendments.

If I may, I wish to raise another issue in which I am keenly interested. Who are the unemployed? In this area, we should be more definitive when answering that question. My understanding is that a survey is being conducted on 30,000 households to find out who is classified as being unemployed. There should be no quarrel with that number because statistically the number is large. Such a survey should yield a very accurate sample and response. However, what I take issue with is the question asked: Are you unemployed, and are you actively looking for work? It seems that many government policies are set and based upon the unemployment rate. In fact, many of our economic policies also rely upon the unemployment act. For this reason, we should have more detailed information as to who are the unemployed.

My suggestion is to change the survey so that the response indicates what percentage of the people unemployed are the principal wage earners of the household. That would be a very different figure from the total unemployed. In this survey we should also be exploring why these people are unemployed, whether these people left the job or whether these people are a new entry into the work force. That is a particularly significant statistic. We should also determine whether these people were laid off on a recall basis, or laid off without any recall possibility. That type of statistic would further define who are the unemployed, and possibly where we should be directing more of the benefits. I would like to see also, the weekly survey turn up information that will identify the number of new entries into the work force, the number of people who had a major attachment to the work force, and are now unemployed, and the number of people who had a rather casual attachment to the work force.

During this debate there has been a lot of talk concerning the over-all administration of unemployment insurance benefits. I have also heard that more emphasis should be placed on the role played by the Department of Manpower. In the offices where the Unemployment Insurance Commission works extremely well and UIC is extremely well handled, UIC is in fact performing some of the functions that we would ordinarily expect the Department of Manpower to perform. If it is in order, I wish to commend the Unemployment Insurance Commission office in Barrie which services part of my constituency. An activity that I think UIC officers should be performing, supported strongly by Manpower, is monitoring the job situation very carefully so that the UIC officers are aware of any significant lay-offs prior to such a happening.

At the time of the lay-off, the UIC officers are present along with the union and management people to sort out all the difficulties in establishing claims. Most important, by monitoring the work opportunities as closely as the UIC officers do, the UIC officers know ahead of time exactly when the callbacks are scheduled and where other opportunities exist. Therefore, those on benefits are very quickly directed to other opportunities. This drastically cuts down the number on benefits and gives the appearance that the UIC operation is sincerely concerned with employment rather than just the payment of benefits to the unemployed.

I know there are great variations across Canada in the nature of communities and problems. In some areas there is a multitude of employment opportunities, with a great variety and number of industries. In another area there may be only one employer. The program should provide that where there is little or no alternate employment after a certain period of time, it is proper that Manpower retraining be supported by the UIC benefit. That would be a better use of the money and the individual's time than to be on benefit without any real opportunity of obtaining work in the near future. I support the hon. member for Davenport (Mr. Caccia) who on a number of occasions has advocated that the name "unemployment insurance" be changed to "employment insurance." That would be a worth-while amendment to be considered at some time in the future.

I wonder a bit about the amendment with regard to the situation where people lose jobs due to self-initiated misconduct, voluntary leaving without just cause, or refusal to apply for or accept a suitable job. The bill proposes lengthening from three to six weeks the period to become eligible for benefits, and in fact losing benefits for three weeks. Possibly the onus should be on the individual to prove that one of these three situations is not the case. If he is able to prove that, he should have the same benefit as anyone else under the act. However, the onus should be on him to establish the fact that he did not leave because of misconduct, that there was just cause for him to leave for some very valid reason or that he could not accept a job.

Members opposite have been proposing a 12-week period. The amendment speaks of an additional three weeks. I believe the entire onus should be on the individual to establish whether in fact he is entitled to regular benefits. Having done so, they should be available to him.

I support the amendment to delete the provision with regard to advance payments. I do not say that because it may or may not be an incentive to get back into the work force. I do not know whether you do an individual a favour by giving him an advance payment. The money may be claimed back after the person has spent it. I have seen cases where this has caused tremendous hardship. Certainly, many hours of my time are spent dealing with people who have had an advance payment, it is claimed back and they have neither the money nor the credit to get it. It would be better if they had not received the money in the first place.

I support the approach in the bill which, in effect, decreases benefits and increases the difficulty of getting benefits for those marginally attached to the work force, and increases benefits and decreases the difficulty in getting benefits for those who have a continuous attachment to the work force. Another amendment that I am glad to see speaks to the problem of social insurance. I am sure that many of the numbers we hear from time to time of people obtaining social insurance are exaggerated. Nevertheless, we must acknowledge that there are abuses and that people do get social insurance improperly. This is a problem that does no one a service; everyone is hurt by it, the employer and the employee.

● (1540)

Those people obtaining social insurance numbers by illegal means will in most cases end up in employment which is paying the minimum wage or even less. I hope

that the social insurance number provision in here will help correct this problem. I would like to have the assurance that this provision would, if possible, almost totally correct any abuse where people might be able to get social insurance numbers improperly.

I see my time is just about up, and I would like to conclude by commending the amendments in the legislation. Speaking to the illness benefits, as everyone in the House knows, the present provision provides that illness benefits are payable only during the initial benefit period of a claim and are not payable during the re-establishment or extended benefit periods of any claim. It goes on in terms of regulations respecting the difference between a major attachment and a minor attachment. I find no difficulty with that part, but I think the major provision, whereby illness benefits are only payable during the initial benefit period, really works a tremendous hardship on a lot of people. We must all be aware of people who have been injured, who have been working with Workmen's Compensation rehabilitation programs, and so on, and have gone back to work only to find they have a recurrence of the illness or their injury is not sufficiently healed. In fact, they may well be off work longer the second time than they were the first time.

Many of these people have no other income protection for this eventuality, and because they cannot file a claim I think it works a good deal of hardship upon them, even if people had only used a small amount of their eligibility in terms of their 15 weeks. So by making it more flexible and allowing more latitude, this is a social measure I strongly support. I hope all members in the House share my opinion. To extend the period during which the eligibility for benefits may be established, to persons who have left the labour force for periods of time for reasons clearly beyond their control, like serious sickness or serious injury with resulting disability, seems to me to call for the unanimous consent of the House.

The other point I mentioned previously and I would like to comment on it again. I am an engineer, not a doctor like my good friend from Halton (Mr. Philbrook). It has always amazed me that the medical profession can predict the accurate date of birth. Whether they are as accurate as they pretend to be, I have no idea, but most certainly they all do in many cases where birth has in fact been premature, so that a person did not have an opportunity earlier to lay claim for that eight-week period. It seems that sometimes these women have serious difficulty and the six-week period afterwards does not adequately cover that problem. By taking the 14-week period and making it more flexible as to when a person can take advantage of it is surely a fair thing that should be available to any woman who has need of pregnancy leave.

I conclude, Mr. Speaker, by saying I am pleased the minister has brought the bill forward and that these amendments are contained in it. I would hope that the bill is only stage one of a review of the act, because it is a large act and affects many people across Canada. I think it is worthy of being continuously under review.

Mr. James A. McGrath (St. John's East): Mr. Speaker, there is no doubt in anyone's mind that the unemployment insurance law is one of those measures which has to be reviewed by parliament from time to time. The present Unemployment Insurance Act obviously has within it certain inherent weaknesses. I imagine there is not a member of this House who has not been called upon to deal with problems arising from those weaknesses, shortcomings and anomalies. Indeed, not a week goes by without our having to deal with questions arising from the administration of this statute.

So there is no doubt in anybody's mind that the present law needs tightening up. Certain of the provisions in the bill now before us address themselves to the shortcomings and anomalies to which I have referred. If that were the extent of the legislation, the bill would receive easy and speedy passage because we are all agreed on the need to take whatever steps may be necessary to prevent a small minority in our society abusing this legislation.

I am glad to see that some of the punitive sections of the act are being tightened up and that steps are to be taken to reduce, at least, the scope of the abuses which take place frequently. As I say, if this were the extent of the bill, it would secure an easy passage through the House. Obviously, our job as members of parliament would be made easier because the workload in our offices would be reduced. The most extensive problems we have to deal with, especially in our constituency offices, relate to unemployment insurance.

What concerns me are those provisions in the bill which lean heavily upon two groups in our society which already suffer most as a consequence of inflation. I refer specifically to old age pensioners and to low income earners with dependent children. First, let us take the case of low-income earners with dependent children. The bill proposes to end the secial privilege they now enjoy under the statute and to give them the same benefits as anybody else receives, notwithstanding the fact that their obligations are greater than those of others.

I listened to the argument put forward by the minister when he introduced the bill with respect to the new amendments to the Family Allowance Act which provide for increased family allowance payments. The minister suggested that these arrangements would look after the particular group to which I have just referred. He used much the same argument with regard to the position of old age pensioners. But let us take the case of an unemployment insurance recipient who has five dependent children. After this bill becomes law, he will receive the same benefits as everybody else—66⅔ per cent of his income as opposed to the 75 per cent he formerly received. He would be entitled to receive $100 a month, in round figures, in family allowance benefits. But that sum in no way covers the expenses he must incur in providing food, clothing, shelter and other necessities of life for his family. Why should the low income earner with a large family be discriminated against in this way? Why lean on him? This is precisely what the bill attempts to do.

● (1550)

In my province we have the highest rate of unemployment in the country, the second lowest per capita income in the country, the highest rate of inflation in the country and the largest families in the country. Given these statistics, the bill is going to take a particularly heavy toll of the 18 per cent of the work force currently unemployed in the

province of Newfoundland. The majority of the people who are unemployed, statistics tell us, are the very group that the bill will lean on most heavily—the group with dependent children.

The minister has done a great job of administering the LIP program. He has involved members of parliament in LIP decision-making and as a result has taken away some of the administrative burden from his own shoulders. He has involved us all in the LIP program. But I would tell him that this is not the way to reform the Unemployment Insurance Act. This is not the kind of reform that the members of this House want. Indeed, I would say that the majority of the members of the House, if they voted according to their conscience, would vote against that particular provision in the bill. The people who will be affected by it the most are those who live in provinces where unemployment is highest, namely, the Atlantic provinces and the province of Quebec.

Coincidentally, these are the provinces where the largest families reside. According to statistics, families are larger in Quebec, Newfoundland and the Atlantic provinces generally than any other part of Canada. These are the people who will be hurt the most by this particular provision in the bill, and I hope that before the bill is given third reading the minister will reconsider it.

While it is true to say that inflation hurts us all, it hurts the low income earner the most. I reject the argument that because a man is receiving unemployment insurance the state has discharged its obligation to him. Notwithstanding that he may be receiving unemployment insurance and family allowance benefits, the fact is that he has to devote a disproportionately greater amount of his disposable income, the little that he has, to the purchase of food. Food inflation in Canada is taking its highest toll at the present time.

A man in receipt of $75 a week unemployment insurance and $25 a week family allowance, which means he would have to have five children, has $100 a week to buy food, clothing, shelter, transportation and education for himself, his wife and his five dependent children. I ask members of this House, given the situation that we have in Canada today, with high food prices, high fuel prices, with the cost of everything disproportionately high as a result of the inflation that we are suffering, to try to imagine how anyone can live adequately and provide their children with an adequate diet on $100 a week.

For this reason, I hope the minister will reconsider this unjust and iniquitous provision of the bill. It will do great injustice to this particular group in society which is already suffering the most—the low income earner with a large family. He cannot help it if he is unemployed. He does not want to be unemployed. He did not bring on the monetary and fiscal situation in Canada that has created the recession we are now experiencing—7.3 per cent unemployment nationally, in excess of 10 per cent in the Atlantic provinces and 18 per cent in Newfoundland—but he has to suffer the consequences of it. Why should we increase the price that he has to pay by reducing the little extra benefit that parliament in its wisdom put into the act to take account of the extra burden he has to bear owing to his low income and the large family that he has to support?

The other group that equally cries out for justice is the old age pensioners. They suffer even more because their income is fixed. I know their pensions are now indexed, which does help them in some small way, but nevertheless they watch their limited pensions being reduced in spending power monthly by an inflationary situation in Canada with which we have yet to come to grips. Take the case of the old age pensioner, man or woman, whether they worked all their lives or made a contribution in some other way: the fact of the matter is that in this bill we are adding to their burden by eliminating them from the unemployment insurance rolls. Secondly, and equally unjustly and iniquitously, we are removing the incentive that we presently provide these people, with their accumulated fund of knowledge and experience, to stay in the work force.

Many old age pensioners in this country write to members of parliament pointing out that they fail to understand how their representatives here can consider putting such a provision as this in an unemployment insurance bill, let alone pass it into law. The old age pensioners of this country are entitled to unemployment insurance as of right because they have paid for it. Their desire is to continue to be part of the work force. Obviously, the provisions of the act cannot apply to old age pensioners who are no longer part of the work force, and no one would want the act to apply to them. But what about the thousands of old age pensioners in Canada who are forced to retire at the age of 65? They want to continue to work, they register for employment with Manpower, and they rightly feel, having paid into this scheme all their working lives, that they are entitled to its benefits while waiting for the government to find them new employment. Yet these are the people we are eliminating from the unemployment insurance rolls of this country. This is unjust, unfair and cruel, and I hope the minister and his government will reconsider this provision.

The third aspect of this bill that has disturbed me is the changing of the benchmark, which will have the concomitant effect of increasing unemployment insurance deductions. Once again, who will have to bear the heaviest burden of this increase? Who will have to pay the highest price? Who will have to suffer most as a consequence? The answer to these questions is, the low income earner of this country and the person on fixed income who spends such a disproportionate amount of his disposable income on food, clothing and shelter and who sees his income dwindling still further by having to pay increased unemployment insurance contributions. This will be the situation if the provisions of this bill go through the House. These are the three aspects of the bill that bother me.

● (1600)

I hope hon. members will sufficiently impress the minister so that he will reconsider this measure in this period of high inflation and high unemployment. We all hope there will come a time somewhere down the road when we will have inflation and unemployment controlled at acceptable levels. Perhaps then, and only then, should we consider bringing in this punitive type of legislation which will rest so heavily on the working poor, pensioners and those on fixed incomes in this country.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, my participation in this debate today will not be lengthy. At the outset, I want to point out to the hon. member for St. John's East (Mr. McGrath), who made a rather impassioned plea on behalf of the unemployed in his province, that we have in place in this country various other social assistance programs designed to provide aid to the needy—and that is not supposed to be the function of unemployment insurance. Perhaps he should talk to his Tory colleagues in St. John's about increasing the social assistance benefits to those in his province who are going to be excluded.

An hon. Member: The same old story.

Mr. McGrath: What about your own province?

Mr. Dionne (Northumberland-Miramichi): I should like to begin by commenting on some of the specific amendments proposed in Bill C-69. I think it is proper and sensible that sponsors of Local Initiatives and Local Employment Assistance Programs should now become eligible for coverage and benefits. It has always seemed incongruous to me that governments should provide funds for the purpose of alleviating unemployment at the local level, and then penalize those who take the initiative to sponsor such programs by making them ineligible for unemployment benefits. If, indeed, the government places importance on job creation for the unemployed in the creation and management of projects, then it has no choice but to bring in this kind of amendment. It will now afford equal treatment to both the individual worker and the individual sponsor under LIP and LEAP projects vis-à-vis unemployment insurance coverage.

With reference to the amendment in respect of coverage of workers 65 years of age and over, I must say that I, too, have some reservations. I can agree quite readily that anyone between age 65 and 70 who is receiving old age security, the guaranteed income supplement and Canada or Quebec Pension Plan benefits should certainly be ineligible to receive unemployment insurance benefits over an extended period of time. However, there are many people who choose, through desire or necessity, to continue active employment after age 65, and while old age security benefits are payable upon application to everyone who has attained age 65, that does not apply to the guaranteed income supplement or Canada Pension Plan benefits.

An hon. Member: It does now.

Mr. Dionne (Northumberland-Miramichi): It does now—automatically?

An hon. Member: Yes.

Mr. Dionne (Northumberland-Miramichi): I am sorry.

Mr. Oberle: You want to be a little more careful.

Mr. Dionne (Northumberland-Miramichi): I will try. Therefore, it would seem to me that people who are not receiving a guaranteed income supplement should be eligible to pay into and receive benefits from the unemployment insurance fund. May I remind this House that many people between age 65 and 70 are still supporting dependent children or other relatives who may well be attending university or other institutions of higher learning or who may, through sickness or accident, be unable to assist themselves. I do not believe that any government action, especially action by a Liberal government, should deprive such people of the expectations and historical rights which they have had under this act. I would, therefore, urge that this proposed amendment be redrafted in such a way as to make an exception of those whose attachment to the labour force and whose need for benefit is demonstrated to local officials of the Unemployment Insurance Commission.

I find it necessary, also, to say a few words regarding the amendments, in respect of the manner and conditions for claiming benefits. While the present legislation provides authority for the commission to regulate the manner in which a claim for benefit may be made, and while such procedure may be contrary to the basic principle that a regulation may only purport to explain the law or help in administering it, it must be pointed out that legislation is much more rigid than regulation. Therefore, it may well be that experience will prove that legislating the manner and conditions for claiming benefits is so rigid that no allowance is made for special circumstances. If, however, the legislation can be drafted in such a way as to allow for some flexibility in the administration of the act, then I have no objection to it.

I believe the amendments under the clauses dealing with the extension of the qualifying period and the benefit period are beneficial and sensible and I give them my full support. There is, however, one disincentive to work contained in the act to which this bill does not seem to address itself. I refer to the disentitlement of a claimant who takes a part-time job while still receiving unemployment insurance benefits—a job that lasts four or more weeks. After working for four weeks, the claim is discontinued and the claimant finds himself in a position of not being eligible to continue drawing benefits, even though through his own initiative and desire to work he has saved the Unemployment Insurance Commission the payment of four weeks' benefits. The incentive here is to encourage such people not to accept part-time work while receiving benefits. I suspect this is an oversight in the drafting of the bill. I strongly urge that new legislation be proposed to allow claimants to take such short-term employment and, at the end of this employment, be able once again to continue to receive benefits and to renew their claims.

The interpretation of the regulations at present seriously affects one particular group of prospective claimants in the province of New Brunswick. I do not know whether the same applies in other provinces, but several instances of this faulty interpretation of the regulations have been brought to my attention. It is simply this: in the province of New Brunswick, teachers' contracts are dated to coincide with the dates of the school year; that is to say, from July 1 to the following June 30.

Because of the interpretation given by the commission, any individual who signs a teachers's contract in New Brunswick is automatically disentitled to unemployment insurance benefits from July 1 of the year in which the contract is signed, even though the actual pay period for teachers in New Brunswick does not commence until September 1. Consequently, it is entirely possible in fact, it

has happened that legitimate claimants have been deprived of unemployment insurance benefits for the months of July and August because they signed a contract while they were receiving unemployment insurance benefits to which they had every entitlement. I might point out that this applies even if an individual signed a contract in the middle of August; he would then be required to pay back all the benefits he received from July 1 to that time.

Of course, I am not referring to teachers who are on continuing contracts from year to year, but to those who are just entering the profession for the first time or are just returning to it after a period of absence. I suspect that this is an administrative blunder made simply by people who do not really understand the peculiar circumstances of the situation, and I sincerely hope this anomaly will be corrected without waiting for the passage of this bill. I need not remind the House that teachers very strongly opposed being included in the unemployment insurance scheme. But since they have been included, and rightly so, no teacher should be deprived of benefits to which he or she has a just claim.

I stress that this is not a complaint against the local officials of the UIC in the area which I have the honour to represent. In fact, I have found the manager of the local unemployment insurance office to be extremely well informed, very capable and most co-operative: I do not want to pass up this opportunity of saying a good word for the oft maligned bureaucrats whose responsibility it is to administer the laws of the country which have a direct effect on the lives of so many of us.

● (1610)

I hoped that Bill C-69 might have included some provision to take into the unemployment insurance scheme seasonal, self-employed persons other than fishermen. There are many individual truckers, for instance particularly in the areas of the country hardest hit by unemployment, who can only work part time because their business is dependent on other business operations whose nature is also seasonal. Because of this, many of them are left with the necessity of supporting themselves and their families as well as making payments on equipment during fairly extended periods of time when they have no income.

I respectfully suggest that the Minister of Manpower and Immigration (Mr. Andras) give more consideration to this problem than it has received to date. This is not to suggest that fishermen who are already covered by the act should not be entitled to the benefits they receive but, rather, that there are other groups of seasonal, self-employed workers who find themselves in very much the same situation as fishermen. In my opinion, the government should be prepared to offer them the same kind of benefits as any other group in our society.

Having said all that, I want it borne in mind that this bill will receive my full support because it does go a long way toward correcting anomalies and injustices which have appeared through the administration of the 1971 act. It has consistently been the policy of successive Liberal governments in this country that government must be prepared to help those in our society who, through no fault of their own, find themselves in the position of being unable to help themselves. This, indeed, is the basic principle underlying all the social legislation passed by the governments of MacKenzie King, Louis St. Laurent, Lester Pearson and Pierre Elliott Trudeau. I am convinced that this is the spirit of liberalism to which the minister has addressed himself in this bill.

An hon. Member: You mean the spirit of evil.

Mr. Dionne (Northumberland-Miramichi): I see that the sanctimonious soldiers of socialism are becoming excited. Although the bill may not be perfect to all eyes, it certainly follows the noble tradition of social justice displayed by the governments of social conscience to whom I have just referred. It is a significant and important piece of legislation and I urge its speedy passage and implementation.

Mr. John Wise (Elgin): Mr. Speaker, it is indeed a pleasure for me to participate in today's debate on Bill C-69 along with members from all sides of the House, and I welcome the presence of the Minister of Manpower and Immigration (Mr. Andras) throughout this debate. Let me say at the outset that, despite my many apprehensions concerning the government's management of the Unemployment Insurance Act, I am in complete agreement with the retention of an adequate wage-loss compensation plan. I fully support the true concept of unemployment insurance.

Unfortunately, however, the plan as we now know it bears little resemblance to what it was set out to be in the original act, namely, a plan of insurance for those whose salary or wages are suddenly interrupted through an unexpected job loss. Bill C-69 does little, if anything, to regain this proper perspective of an actual insurance program. Because benefits are not rigorously tied to employment records, the insurance principle is subverted and the whole scheme becomes largely a plan of social welfare and wage distribution rather than one of unemployment insurance. Because of the high and extremely appealing benefit rate structure, the risk of unemployment is no longer an integral factor in the decision to work or not to work. The traditional work ethic has been seriously jeopardized at a time in our economic life when the country can ill afford it.

What is needed, Mr. Speaker, is a redefinition of the work week and the benefits structure in order that these basic principles can be put back into practice. Without accepting this philosophy, not only in theory but in practice, almost anything the government attempts to do in amending the Unemployment Insurance Act becomes useless. So, in spite of a sprinkled hint of reform here and there, the main thing that can be said about the introduction of Bill C-69 is that its provisions are superfluous to the real problem confronting unemployment insurance today.

In fact, I may even be accused of being overly generous to the government in this regard. On closer examination it would appear that the main thrust of this bill is in the adjustment of the benchmark, the point at which the government agrees to contribute to the fund. This is clearly a regressive step in that it greatly increases the burden of premium payments to employer and employee, yet without an adequate distinction between those who are high-risk insurees and those who are low risk. Surely, this

should be basic to any organized plan of insurance, unemployment or otherwise.

What would make far greater sense would be a formula for reducing, on a percentage basis, the amount of premiums paid by those who compile a steady and continuous employment record and who are thus proven to be low risks as potential claimants of benefits. Such a system, if implemented, would be far more equitable than the one we have at present, in that those whose contributions are most reliable—indeed, those who are most conscientious—would not be continually forced to carry those who are not. Admittedly, this would not eliminate all imbalances but it would certainly be a good deal fairer than the present scheme, especially in view of the fact that the government proposes to raise the premium payments of employees through the new benchmark proviso in Bill C-69.

In the same vein, there is need to look at retirement benefits under the unemployment insurance program. As it stands now, one who has been actively employed all his or her working life, one who has contributed the maximum amount in the way of premiums, has little to look forward to in the way of a deserved retirement award. It is time for an adequate retirement clause to be incorporated into the act so that this inequity may be rectified. This would be a welcome addition to Bill C-69.

The very fact that the government deemed it necessary to adjust the benchmark is in itself a self-admission of failure in its handling of the unemployment insurance program. Things have clearly got out of hand and determined action is needed to straighten out the situation. Unfortunately, we can see nothing in Bill C-69 toward this end. It is another case of pulling a drowning man out of the water, then tossing him in again without first teaching him how to swim.

I have already noted that because benefits are not sufficiently connected to employment records, and because benefit rate structures are so appealing, the tendency to a disincentive to work becomes apparent. This obvious shortcoming could be overcome, Mr. Speaker, by redefining the work week and the benefit structure. Where in Bill C-69 do we see a concrete proposal to abandon the work week in favour of a more reliable work year? Rather than calculating benefits on the basis of weekly insurable earnings, why not calculate them on a yearly basis? Initial eligibility need not be affected, but the initial benefit rate could be calculated on both earnings and the number of weeks employed in the previous year.

If an employee had worked a full year prior to a claim, then his benefit rate would be substantially higher than a worker who had a much shorter attachment to the labour force. This scheme would have the obvious advantage of providing work incentives and it would guarantee that the original insurance principles of unemployment insurance were upheld.

I do not wish to go on record, Mr. Speaker, as being opposed to all the provisions of Bill C-69. Some of these amendments to the Unemployment Insurance Act may prove useful and are worthy of mention. They include, first, extension of the period during which a claim can be made and benefits received for those suffering temporary disability or those who are on special training courses and, second, extension of the time for claiming from 15 weeks to 25 for those entitled to sickness benefits.

● (1620)

It would have been equally constructive to tie maternity benefits to sickness benefits because of the difficulties and unfairness in the calculation of maternity benefits due to the use of the confinement date. I would suggest a set period for maternity benefits or, better still, including as a sickness claim the length, depending upon the doctor's estimate, of temporary disability.

With regard to the increase from three to six weeks of the period of disqualification for those who quit, are fired or refuse suitable employment, one hopes that this extended disqualification period will not only serve to differentiate between those who quit or are fired and those who are laid off or terminated for reasons beyond their control, but will also provide scope for more thorough investigation into the job search being conducted by claimants before they are allowed to collect any benefits at all.

It is a well known fact that many are receiving benefits who, although unemployed, are not conducting an honest job search. In some cases such claimants have no intention whatsoever of working. They are ripping off the system at the expense of honest taxpayers and are being allowed to get away with it. I know of cases where claimants have collected benefits for extended periods of time without ever being asked if they were conducting active job searches. For example, job search reports appear to be sent only to a random selection of claimants. Clearly, a more comprehensive investigative machinery is required. With six weeks available before some claims become payable, it is imperative that all such claimants prove to the Unemployment Insurance Commission that they are actively seeking employment. The burden of proof must be on the claimant, and the standard of proof must be raised.

One way in which this kind of reform can be more easily accomplished is through much further decentralization of the Unemployment Insurance Commission. Lack of decentralization has been one of the prime failings of the operation for many years, and I am indeed sorry that no definite amendments are present in Bill C-69 relating to this problem.

I believe that greater understanding between UIC officers and individual claimants, most of whose claims are perfectly legitimate, could be achieved through decentralization. Similarly, there can be no doubt concerning the need for higher quality performance at all levels. Such an undertaking, that is, decentralization, could also offer additional impetus to the promotion of relocation of those among the unemployed who find it impossible to locate work within their own area or territory.

The commission must be encouraged to develop more uniformity in its decisions. Most members of parliament deal with a great many UIC cases and most are acutely aware of the tragic lack of uniformity which mars the performance of most offices. I do not refer simply to the lack of uniformity between offices, but within offices as well. There is a multitude of unfortunate cases on record in which identical claims were processed in differing manners and the outcome of the claims differed considerably. While I have emphasized that more vigilance must be

exercised in weeding out those who abuse unemployment insurance, I wish also to reiterate that those who are honest, legitimate and needy claimants must be treated with greater dispatch and in a more uniform manner. As I said previously, this can be most easily accomplished through decentralization and through stronger ties between the commission and Canada Manpower centres.

I recognize that last year the department undertook to increase co-operation between these two agencies. This co-operation has yet to bear fruit. In other words, those who collect benefits because they are unable to find jobs have been given little help by the Unemployment Insurance Commission. While it is true that counselling on job placement is given to most clients, it is felt that a more active role must be undertaken to locate jobs for those unable to find work.

Bill C-69 is a mere drop in the bucket. A comprehensive investigation into the whole scheme of unemployment insurance is overdue. With Bill C-69 as an example of the inability of the government to cope with the problem, perhaps it is time for an objective investigation in order that some truly effective recommendations may be placed before us.

I note that there is no reference in Bill C-69 to occasional workers employed in the agricultural industry. This is a very troublesome problem, particularly in southern Ontario. A heavy percentage of these people are relatives, friends and sometimes neighbours of farmers who may work for one or perhaps two months at a time, thus working over 25 days and earning more than $250. A great majority of these people have no intention of availing themselves of benefits or of taking other jobs, yet they are forced to pay premiums into a fund from which they will never, or seldom, collect. As these workers have no interest in unemployment insurance, it would only be logical that they be exempt from paying premiums if they should so choose. It would be far more equitable to give them the option of contributing or opting out, rather than requiring mandatory payments as is the case now.

I should like to add a few words about seasonal workers of another sort entirely, those in industries who earn better than average incomes over an eight or nine-month period and are well aware in advance of their idle months. Many of these workers earn in excess of $15,000, and even $20,000, during the period they are actively employed. Why, then, are they permitted to collect unemployment insurance benefits?

Once again we return to the basic principle of unemployment insurance, and that is as insurance against job and income loss. In these particular cases jobs are not lost; they are only temporarily suspended. Perhaps more important, there is no unnecessary financial hardship imposed upon the individual worker. In accordance with these facts, it is my suggestion that a ceiling be placed on yearly earnings for which one is eligible to collect unemployment insurance, provided that the job interruption is on a temporary basis.

Some hon. Members: Hear, hear!

Mr. Wise: Amendments such as these would bring more equality and justice to the Unemployment Insurance Act, yet there is not a hint of them in the legislation of the government—only a few morsels scattered here and there amongst the ruins. Obviously, the government has not given this issue a thorough study. Indeed, insufficient investigation, and thus misguided action, has been the regular practice not only for this particular department but for the government as a whole. It is time for a much longer look at the unemployment insurance problem.

In conclusion, I can support some of the provisions of Bill C-69. In principle, though, I must protest, not so much about what is included in the bill—excepting the benchmark—but, rather, to what is not included in the bill. Many constructive suggestions have been made, particularly by my colleagues on this side of the House, and it would be well for the government to examine them seriously and carefully. I sincerely hope that more amendments to the Unemployment Insurance Act will be forthcoming and that a change in attitude will soon sweep the department, for to neglect the many ills which still exist would represent conduct on the part of the government which could only be viewed as misguided and irresponsible.

Mr. David Orlikow (Winnipeg North): Madam Speaker, as I read the speech of the Minister of Manpower and Immigration (Mr. Andras) which began debate on this bill, I was struck by the tremendous difference between it and the speech made by the former minister of manpower and immigration who introduced amendments to the Unemployment Insurance Act in April, 1971. This minister's speech was apologetic, offensive and pessimistic. He obviously forsees a long-term, persistent and high rate of unemployment. The former minister was hopeful, optimistic and obviously expected that the rate of unemployment which prevailed at that time could be drastically reduced.

The best example of the difference to which I have referred can be seen by comparing the parts of the two speeches which deal with the point at which the percentage of unemployment brings the government into the funding of the unemployment insurance scheme. On Monday, October 27, when introducing the bill the present minister referred to the 1971 proposals. He said:

> At that time, a threshold of 4 per cent unemployment was set as the level above which the government would assume the additional costs for unemployment insurance benefits.
>
> That 4 per cent threshold was related to the economic conditions in the decade preceding 1970. The basic financing principle continues to hold true. Nevertheless, under social insurance principles, normal cost under the unemployment insurance program should be financed as much as possible through contributions from employers and employees.

He went on to say:

> Applying this formula in 1976, the benchmark for the year will be about 5.6 per cent, a level based on average monthly rates of unemployment in the eight years preceding June 30, 1975.

Later he said:

> —the premium change, if the proposed amendments are fully implemented as of January 1, 1976, we can expect a net saving of $170 million in 1976 at a 7 per cent rate of unemployment.

In other words, the minister accepts 7 per cent unemployment as normal. In fact, we have had higher than 7 per cent for almost a year, and the predictions for the next couple of years are that it will go still higher. What did the former minister say when he introduced his amendments in 1971? He said:

Since the figure of 4 per cent has attracted a good deal of attention, I imagine somebody is going to suggest that the government has determined 4 per cent to be an acceptable rate of unemployment in Canada. Well, it is not my criterion. Like everybody else, I believe the acceptable rate of unemployment is the least possible rate.

He continued:

—We have used the 4 per cent figure because 4 per cent according to our computer estimates, triggers the government's contribution to the fund at a realistic level.

Then he said the government would have every inducement, if unemployment was at 6 per cent, to take measures to cut back the rate of employment because it would cost the government hundreds of millions of dollars to help finance unemployment insurance benefits. He was much too optimistic. Since 1971, the average rate of unemployment has only been below 5 per cent for one month. In 1971, the average rate of unemployment was 6.4 per cent; in 1972, it was 6.3 per cent; in 1974 it was 5.4 per cent; and each month this year it has been over 7 per cent, the highest rate of unemployment since 1961.

If there is one thing that the columnists are agreed upon, it is that the government's proposed anti-inflation measures will force the rate of unemployment even higher. They are divided on the scale, but most agree that the rate of employment will rise between one-half per cent and 1½ per cent in 1976. Because of the government's mistaken economic policies, the unemployment rate is expected to reach 8 per cent or more.

In 1971 the government had to put $700 million into the fund because the unemployment rate was more than 4 per cent and the contribution of employers and employees only met the expenses of the fund up to a rate of 4 per cent. This year, the cost to the people of Canada is likely to be $3½ billion, and in 1976 it is estimated it will cost $5 billion.

Under the existing legislation, $2 billion of the 1975 pay-out would come from employer-employee contributions, and $1½ billion from the government. The government is committed to absorb the extra costs of unemployment beyond 4 per cent under the present legislation, but it will have difficulty explaining that kind of deficit to the Canadian people. It cannot admit, of course, that the deficit is to a large extent the result of its own stupid economic policy, so in typical Liberal fashion it has found an ingenious way to solve the problem: it will tax the ordinary citizen. The unemployment insurance premium of workers will be raised from $1.40 per $100 to $1.60 or $1.70, so about $500 million will be shifted on to the backs of employers and employees in 1976.

On June 30, 1975, the *Financial Times* estimated that premiums are likely to be closer to $2 per $100 and that the government will be shifting closer to $800 million on to employers and employees in 1976. As the unemployment rate goes up, then the potential pay-out of the government goes up as well. In other words, if the ordinary citizen pays more, the government pays less. We should keep in mind that, like so many other tax proposals of Liberal governments, this proposal is especially regressive. The Unemployment Insurance Commission could affect all incomes at the same rate. There is a fairly low ceiling on contributions, so premiums represent a bigger proportion of the income of lower paid workers than of higher paid workers. The increase will come primarily out of the pockets of the lower paid workers, and there are more of them.

[Mr. Orlikow.]

● (1640)

We oppose the minister's present proposals. As I have said, we think this is the wrong tax put on the wrong people at the wrong time. Right now, when the rate of inflation shows no sign of abating and when the cost of living is so high after the enormous increases of the past two or three years, the government wants to tax precisely those who can least afford to pay. As I said earlier, when the former minister talked about the government bearing the cost of unemployment insurance when unemployment rose above the 4 per cent threshold, unemployment was much lower. In 1971, the unemployment rate was 6.4 per cent; in 1972 it was 6.3 per cent; in 1973 it was 5.6 per cent; in 1974 it was 5.4 per cent; but this year it is over 7 per cent. Surely, the government should not now ask the people of this country to pay more unemployment insurance to relieve the effects of unemployment which the government itself created.

There is something even more pernicious in the current proposal. By making everyone pay this extra tax, the government is saying that all workers, including those who work all the time, will pay more. Clearly, the government thinks, as do some members of the opposition including the hon. member who spoke before me, that many drawing unemployment insurance do not want to work and are not trying to find jobs. Many hon. members receive complaints almost daily from constituents who have drawn unemployment insurance and been cut off from benefits because, in the opinion of the benefit control officer, they have not looked energetically enough for work.

Although the commission has intensified its aggressive investigation of people drawing benefits to make sure that benefits are only paid to those with bona fide entitlement, to those looking for and available for work, and although the commission has disqualified and cut off from benefits thousands who had been drawing unemployment insurance, the government obviously believes that many are drawing benefits who ought not to be.

I do not suggest for a moment that there are not people drawing benefits who ought not to be drawing them. I do not suggest that all on unemployment insurance are actively looking for work, as I am sure some are not. But I believe the number in that category is small. The government and some opposition members obviously believe that the number is large. The minister therefore proposes that those who are unlikely ever to be unemployed shall pay a substantially increased weekly premium because a few people are ripping off the system.

Is that not a strange view of the just society? Is it right to ask people who work steadily, who contribute to the fund and who many never draw benefits, to pay larger premiums? The government thinks this is necessary—partly because the government's misguided economic policies have led to the highest levels of unemployment since the beginning of World War II, and partly because it thinks some people are ripping off the system.

Let me voice further objections to the government's proposals. I object strongly to the provision under which people who voluntarily leave their employment will be disqualified from benefit for a certain extra period. According to the minister, about 25,000 people per year voluntarily leave their jobs. That is less than 2.5 per cent

of our labour force—hardly an alarming figure to justify so harsh an amendment. We shall never know how much hardship that provision will create, as we shall not know how many workers would quit their jobs but for this amendment. For example, a worker may work in a plant in which the high dust level is a hazard to health. I can tell the minister that during the last three or four years CPR workers have complained to me about unbelievably high dust levels in the repair shops. All their complaints to the federal Department of Labour have been to no avail.

We know—I will not make a long speech about it—about the dangers arising from asbestos dust in Arvida and other towns in Quebec. We know about workers at Elliot Lake who have fallen victim to cancer. If the worker decides that his job is a health hazard and that he must quit, to look for another job, he will be penalized unless he can satisfy some faceless bureaucrat of the Unemployment Insurance Commission that he had a legitimate reason for quitting.

I will not be overly critical of Unemployment Insurance Commission employees. They are trying to do their job, but they are only human; they can make mistakes. I wonder how they will deal with the extra burden of appeals this legislation will impose on them. I, for one, am not prepared to see the kind of decision-making I have spoken of relegated to some commission employee in Winnipeg, Vancouver or Toronto. I do not think the government needs to introduce so draconian an amendment to cover the 2.5 per cent of our labour force who quit their jobs voluntarily. If that particular provision is passed, many workers who have legitimate reason to be dissatisfied or unhappy with their jobs will not be able to quit. Many cannot afford the penalty of forgoing three weeks of unemployment insurance benefit while they look for a job. Therefore, they will stay on a job they do not like, a job to which they are not suited, and there will be adverse effects on health. Frankly, I am amazed that the minister would propose that kind of amendment.

The bill proposes the reduction of benefit rates paid to claimants with dependants. It would reduce the rate from 75 per cent of regular earnings to 66⅔ per cent. The 75 per cent only applied to claimants whose earnings were less than the maximum of $185 per week or less than $62 in benefits. The government's reasoning that family benefit payments have increased since the act came into force is surely not sufficient to justify this amendment.

● (1650)

The area I represent is not particularly low wage in character. Therefore, I cannot speak with the same personal knowledge and experience as the hon. member for St. John's East (Mr. McGrath) who spoke earlier today. However, this Prime Minister (Mr. Trudeau), who talked so eloquently and frequently in earlier times about his concept of a just society, and this government should not be bringing in amendments to the Unemployment Insurance Act which will have the effect of cutting back drastically the benefits of those who need them most in order to meet the most minimal living expenses.

I want to register my opposition to the amendment which terminates unemployment insurance coverage for those 65 years old and defers Canada Pension Plan benefits during the permissible three-week lump sum termination payment. Improved federal and provincial income support programs for workers aged 65 and over should not be an excuse for depriving them of their unemployment insurance benefits. This amendment hits hardest those with low incomes who are not covered by a private pension plan and whose payments under the Canada Pension Plan are inadequate. Those who for economic or other reasons must continue work after age 65 will not be able to draw unemployment insurance benefits, as has been the case in the past.

In my years as a member of parliament I have been approached by dozens of people who have paid unemployment insurance premiums since the day the plan began in 1940 and were never unemployed and never received a penny in unemployment insurance benefits. I have heard the argument that this is an insurance plan and they are lucky if they have never been unemployed and have not received any benefits. If one is dealing solely with statistics, that is a good argument. However, we are not dealing with statistics; we are dealing with people who have contributed to the plan for 30 or more years and are entitled to some benefits.

We live in an age where it is believed that a person aged 65, 67 or 63 should be required to retire on a fixed day because it is better for both the individual and the company. However, we are beginning to realize that if it ever was a good idea, it is no longer. People should have the option of retiring from active work when they feel it is good for them and their employer. I do not mean that a person should be able to retire at age 35 or 40, but we should be aiming for a situation where a person can choose when to retire from age 60 on.

If we believe that some people should retire at age 60, and it is better for others to work until they are 66, 67 or 69, we should make our system as flexible as possible. People ought not to be told that if they work past age 65 they will not be entitled to receive the benefits of the unemployment insurance plan to which they contributed for so many years.

I began my speech by pointing out how different the approach of this minister was in introducing this bill from the approach of the former minister of manpower when introducing the bill dealing with unemployment insurance benefits in 1971. The former minister was hopeful, optimistic and cheerful. We went along with him. We did not think the 1971 bill was perfect, that it was another commandment which would last for all time; however, we thought it was a good move in the right direction. We had some criticisms and we made some suggestions for improvements, some of which were accepted and many of which were rejected. On the whole, the bill was an improvement and we supported it.

If there are any improvements in this bill, they are almost accidental. On the whole, it is a disaster from the first word to the last. The four provisions which I have outlined are bad. There are others that I have not dealt with which are equally bad. These will be dealt with by other members of the New Democratic Party. The bill in its present form leaves us no alternative but to oppose it on second reading. We will try to amend it in committee.

Unless there is a substantial change of heart on the part of the government, we will oppose it on third reading.

What the minister is saying is that the government, having promoted measures which, as was predicted by many both inside and outside the House, have increased the rate of unemployment to the highest it has been in 15 years and the second highest since 1940, now expects the people of Canada to pay for its mistakes by higher taxes in the form of higher contributions by employers and employees to the unemployment insurance fund. We cannot support such a proposal and we will oppose it as much as we can.

● (1700)

[*Translation*]

Mr. André Fortin (Lotbinière): Madam Speaker, I thank you for allowing me to rise at this time in the debate on second reading of the bill to amend the Unemployment Insurance Act of 1971. I was really anxious to speak on this bill because of the personal experiences of my fellow citizens in the riding I have the honour of representing who may have had problems with the Unemployment Insurance Commission since 1971.

First of all, I want to say to the Minister of Manpower and Immigration (Mr. Andras), who is now present in the House that all is not rotten with the commission, and that it is with a positive attitude that I want to approach the bill now before the House.

Madam Speaker, I should like to synthesize my remarks, though I may come back to some at a later stage in the processing of the bill. I should first of all stress the fact, to the minister, that there is much criticism, much abuse, not in the act itself but in its practical application where benefits are concerned. This in turn involves human relations, within the system of structures of the unemployment insurance offices, between the employee who receives the claims and the claimant.

Everyone will admit with me that this legislation is very complicated. Its characteristic before being satisfactory is to be complicated. It is so complicated that the employees of various unemployment insurance offices do not agree on its interpretation and most of the problems experienced by my own claimants are specifically due to the fact that communications between a given unemployment insurance office and the claimant are difficult and generally badly organized. And then the Unemployment Insurance Act has never been popularized or simplified in every day words that the claimant can understand. I will give you only one example to show how the legislation is complicated.

I have seen a number of cases, Madam Speaker, where a mother on the labour market was advised by her physician to quit work because she was pregnant. However this woman cannot draw any benefit because she is in the re-established portion of her benefit period. That is why she cannot draw unemployment insurance benefits throughout her pregnancy.

Now what is that re-establishment period? Madam Speaker, I have taken a count during four months and the figures were checked by the local Drummondville office. The figures which I will quote are accurate. I received at my Victoriaville office 1095 complaints concerning unemployment insurance, that is only for half of my constituency. And of those 1095 complaints referred to the minister, most were the victims of a misunderstanding or a wrong interpretation of the legislation.

In either case, Madam Speaker, I do not care who is at fault. The important thing to note at this point in the debate is that it is always best for legislators to simplify, give a thorough explanation of measures passed if they are to achieve their purpose.

Madam Speaker, the first problem that cannot escape my notice is the centralization of payments. I know very well that the matter is not included in amendments to the act before us and it is unfortunate. It concerns the internal organization of the commission and is related so closely to the effectiveness of the implementation of the legislation introduced by the minister that I cannot help bringing it up.

Such a centralized payment system has been established that each province has only one distributing office. In the province of Quebec, for instance, the only office authorized to pay benefits to any unemployed person is located in Montreal.

If a problem arises, for example delays in the payment of benefits, an error in the punched cards which makes the computer in Montreal unable to digest them, it will result in the claimant having to wait for two, three, four, five, eight and sometimes ten weeks or more before getting his first cheque.

Madam Speaker, I think this is now the main problem with the Unemployment Insurance Commission. The delays regarding payments. Let us forget for a moment the two-week waiting period in the case of ordinary unemployment or the three-week waiting period, according to the former legislation, in the case of a worker who has voluntarily quit his job. This period would be doubled under the amendments now proposed. It remains, Madam Speaker, that given our experience of this legislation since 1971, because of this bad centralization, the average claimant will have to suffer a two-week waiting period. He will get paid only at the end of the fourth week or after a four-week unemployment period. Now, the computer in Montreal, the payment centre for the whole province, does not issue cheques at the end of the fourth week. This will take in general one or two weeks, in addition to the waiting period and to the two weeks of unemployment before the person receives the first benefit cheque.

It then no longer is a good organization. This has terrible consequences on the situation of the family, on the income of the family and the worker. Not all Canadian workers can afford to wait for six or seven weeks before they receive the first benefits.

The main problem is that these payments are unduly delayed because of centralization. Madam Speaker, I take advantage of the minister's presence to bring this problem to his attention. I wish the commission would revise its position in that respect and accept to divide the province of Quebec into two or three payment regions, in order to speed up things.

At the present time, we unfortunately have a postal strike. We can imagine the vast organization the department has had to set up in Montreal to deliver benefits

across Quebec. It is absolutely unbelievable what efforts have to be made to reach an unemployed in Baie-Comeau, Sainte-Croix of Lotbinière, Chicoutimi, Sherbrooke, or Sainte-Marie of Beauce, by bus or otherwise, and see to it that he gets his unemployment insurance.

When there is a strike, the minister has to set up emergency offices here and there throughout the province because of the communications problem. I want to say to the minister that even when the situation is normal, when there is no strike, undue delays are still blamed on this payment centre.

Doubtless several hon. members know that it takes only one claimant's card to block the whole system in the province of Quebec.

● (1710)

Madam Speaker, the day the problem will be dealt with, there will be a delay of two to three weeks to recover the punched card of the claimant and to pay him. So, when we communicate with them they answer: give us two weeks to be able to issue the first allowance cheque. Then the machine is so peeved by the intervention of a third party that it churns out order payments for 3,4,5,8, or 10 cheques, supposedly for the arrears for the claimant which very often do not correspond to the real weeks of unemployment.

Thus, there is overpayment. Hence, Madam Speaker, there is a second problem stemming from the centralization of payments, namely that overpayments—and I am anxious to see the statistical analysis of the minister in this regard—are generally due to the fact that two or three extra weeks are paid with the arrears. So, later not only will this man have to wait for two or even three weeks when he is again unemployed. He will also have to make without the allowances for 2,3 or 4 weeks, namely the equivalent of the overpayment received during the previous period of unemployment.

One may say it is very complicated. Yet it is very simple. All that need be done, technically, is to divide in a logical way the present regional unemployment insurance offices into decentralized pay centres, regionalized for the whole province. Thus, delays could be prevented.

It must be remembered that this legislation covers workers with lower income in general and that when they are on unemployment for the first waiting weeks that is a two-week waiting period and two weeks payable at the end, they use up their savings if they happen to have some. Unemployment is a dramatic situation for a family. Those unemployed must not be the victims of a machine which decides who gets what. Concluding on this first point, I urge the minister to accept at least investigation, a study on the speed at which payments are made, on the profitability and efficiency of the centralized system in operation since 1971. This would be a definite improvement which will be reflected in the opinion people have of the Unemployment Insurance Commission.

I would say that 80 per cent of the criticisms directed at the commission involve delays in receiving benefits. The remaining 20 per cent is due to either the overcomplexity or the underpopularization of the act. But, if the former shortcomings, involving 80 per cent of the complaints, could be corrected, Madam Speaker, I am sure many hon. members of this House, at any rate those from Quebec would be very pleased to have that much less office work. I have experienced that I can receive as many as 25 or 30 calls in a single day in my office in Victoriaville, and upon examination of the complaints I invariably realize they concern overdue benefits. All this because of the Montreal computer.

Madam Speaker, the other problem that I wanted to bring forward from the beginning concerns civil servants. There are some unemployment insurance officers—I suppose in every local office has a few—who assume a haughty and domineering attitude in their dealings with the applicants. I wish to congratulate the minister for accepting to alter the inquiry procedure. It is a well known fact that, until now, a claim officer had the authority to call unexpectedly on an applicant and simply start the process of investigation. We all know how easy it is to have somebody tell anything to anyone, it all depends on the way to put the question. Consequently, some people, by their statements during a friendly discussion with the officer, would virtually hang themselves just because they were being too friendly with the person taking the statement.

The minister recently said that this method would be abolished, that the individual making the statement would be entitled to have a witness and that he will not have to sign the statement as it could turn against him later because he ignores the law.

Madam Speaker, I think that, at that time the minister was courageous, that he actually broke this system of provocation, of police and inquests and that, on that point, he deserves congratulations. Let us hope that the system will work well.

The third point that I wanted to make concerns illness. Madam Speaker, I believe that there are three possibilities: ordinary unemployment, unemployment because of pregnancy and unemployment because of illness. For my part, I believe that the most dramatic and the most serious type of unemployment is the one which occurs when the claimant loses or quits his job because of illness.

In that case, Madam Speaker, even the new legislation introduced today by the minister changes practically nothing in the situation except to extend the admissibility period from 29 to 39 weeks. But the problem is that the UIC officer always has authority to determine the length of the claimant's illness. The officer, who is not a physician, is given this authority in the present legislation, and I am sorry that the minister is not amending this provision. The officer, and the physician designated by the commission have the authority to determine the length of the illness, regardless of the report of the claimant's personal physician.

Madam Speaker, I believe that we should have some confidence in the physicians and their professional ethics. When the claimant has a liver attack on the job and his physician states that he is unable to work and that he must be hospitalised to have an operation and tells him that he will have to remain at home in convalescence during a fixed period, such as 20 weeks, the commission has the authority after two, three, five, seven or ten weeks, in spite of the report of the claimant's personal physician,

to say that claims are not paid for more than eight, ten or twelve weeks in the case of liver trouble.

It is completely ridiculous to have given such excessive discretionary powers to the officer to allow him to determine the length of an illness when the person involved is unable to defend himself. He is sick and cannot go to the regional office to state his case to the officer. He cannot complete a statement since he is in hospital or on the operating table, and it is precisely this part of the legislation which is the most rigorous. There is no leniency in a case of illness at the UIC.

People who have a heart attack are entitled to be sick for 15 weeks, people who have a liver attack are entitled to so many weeks, those who have the flu are entitled to so many weeks, regardless of the fact that it is broncho-pneumonia, or that the flu was followed by laryngitis or that there were other sequelae.

The official does not care about that. Neither does the act. Under the act, if you have a slight cough, you are entitled to two weeks, whether or not your sore throat turns into a lung disease or if you lose one or both lungs.

Madam Speaker, this is a ridiculous situation. And when the claimant wants to speak in his own defence and appeals to the arbitration board to try and get more, supposing of course he is physically able to appear in court, the doctor in attendance very seldom has time to go and explain himself his decision.

Let me also add, Madam Speaker, that generally, doctors appointed by the Commission to complete a medical certificate in the name of the Commission very frequently do so, and I know this is very serious, without even examining the patient, without having ever seen him. How can the doctor appointed by the Commission, who has never seen the claimant, who does not sound his chest either, who examines him only superficially, say that a person will need a two, three or five week convalescence?

Madam Speaker, such situations occur every day in Lotbinière, in Saguenay-Lac-Saint-Jean, in the Beauce area, and throughout the country. I know from numerous cases that it is a human problem that people find revolting and which I submit to the minister through you, Madam Speaker. As I said earlier, claimants who are ill are not in a position where they can take their own defence by the very reason of their illness.

● (1720)

Madam Speaker, the minister has taken a small step forward by extending the qualifying period in the case of illness from 29 to 39 weeks. However, this is almost meaningless. In the past, an individual who received standard unemployment benefits and who after weeks had a relapse and was unemployed, was entitled to benefits for that incomplete qualifying period.

The minister has taken a very small and not very courageous step by extending that period to 39 weeks and thus, Madam Speaker, it will still be possible in that case, in spite of that supposedly tremendous legislation, to find pregnant women who are unable to work on the advice of their physician and who having received standard unemployment benefits for one, two, three or five weeks will be denied any before their confinement, because the qualifying period is not long enough and because the condition of that individual will not have been taken into consideration.

[Mr. Fortin.]

Madam Speaker, there are only two answers: either we encourage birth either we encourage abortion. And if the minister does not change that part of the legislation concerning pregnancy I think it will encourage abortion as, in most cases, pregnant women who received benefits during winter cannot receive them anymore.

I believe and I sincerely hope that the minister will entirely revise the part of the legislation concerning sickness and that during each stage of the debate and particularly the committee stage we will try to improve that part of the legislation. Thus we respect sick people, we help them when they most need help and, in case of pregnancy, we stop pussyfooting around and say once for all that we believe in the family and encourage mothers to have their child by paying them their 15 weeks of unemployment benefits for the period of confinement without bothering them and taking into account the other periods in the 104-week qualifying period mentioned by the minister in the bill.

I do not wish to say anything more on the subject. I think I clearly expressed what I had to say to the minister and I sincerely hope he will take it into account.

The third point that troubles me before I come to the positive aspects of the legislation in pension at 65. Through this act, the minister unacknowledgedly imposes pension at 65. He does it in the way retirement was imposed at 70. He does not say so, of course, as it would be unpopular. But when you deprive workers 65 years old or more from all their rights under the pretext that they receive retirement benefits plus a supplement, the minister misleads us and does not take the actual situation into account. He says that does not affect many people. I got in touch with Statistics Canada in that respect; I wanted to know just how many workers between the ages of 65 and 69 were still on the labour market. And the answer is 619,940 workers between the ages of 65 and 69, a figure I got yesterday afternoon from Statistics Canada. Between 65 and 70, in all that is including everyone up to 75, 1,124,000 workers will be in that situation, meaning they will lose entirely their rights to unemployment insurance although they worked for 25, 30, 40 and 50 years and conformed to all government legislation, good or bad, during all their lives.

Madam Speaker, the minister is too intelligent not to be aware of the consequences of his legislation and not to have foreseen them. In short, he imposes mandatory retirement at 65. He says under the same legislation, if you want to continue to work, you are free to do so, but do not count on us to protect you. As far as we are concerned, you no longer have any rights, you are a worker and you are such a nuisance to us, we want you out of the labour market so much that we are taking your rights away from you. That is the situation in which we are going to place people aged 65 or more.

The minister simply wants to push out of the labour market anyone aged 65 or more. When he introduced his bill on second reading, the minister said this was because those people received OAS and guaranteed income supplement increases. As I understand OAS schedules, a worker

is not entitled to the supplement because of his earnings. He generally gets the maximum amount of pension and a few dollars of supplement. Therefore, the minister's suggestion that a person in the labour force can get a pension over $200 is misleading. The Quebec offices of the official, Mr. Gérard Turbide, can confirm that. The supplement is granted according to revenues. The basic pension is paid equally to every citizen. The minister wants to persuade workers over 65 to retire, because OAS pensions are based not on the current year's revenues but on those of the previous year. This tends to show how unfair the minister's proposal is. The income supplement given a worker in 1975 is based on his 1974 revenues. Assuming a worker aged 65 retired on January 1, 1976, he would be without revenues other than the basic old age security pension. He would then get a supplement application form in which he would have to declare his 1974 revenues. Therefore, he would not be entitled to supplement for that year as of 1976, so long as a new computation was not made. Such is the current situation. I hear some members opposite say this is not true. Well, I will not debate this. Tomorrow, I shall try to meet them and show them examples I have of this. It would be astounding if they wished to remedy this, because it is schedules.

An hon. Member: That is optional.

Mr. Fortin: That may be optional, however, that is compulsory retirement. I wonder if the minister checked in the labour market to get employers' opinion. A number of employers will regret that. People of 65 who still want to work and still have the courage to do so are generally excellent workers who give great satisfaction to their employers. This is a recognized fact. Most of them work not for the fun of it, but only because they have insufficient means.

Madam Speaker, I hope that the minister will take it upon himself to withdraw completely this proposal and leave things as they are. We should respect the worker who has worked all his life and leave the age at 70. Of course, if the minister does not want to do it himself, I shall be forced to oppose the bill completely in view of the enormous social repercussions that it will have on those who are 65.

As the previous speaker said, we have been using ringing phrases like "just society". Can a single member of the government tell me that it is just, after 50 or 40 years of work, to take away all the rights of a worker only because to his age even if he still wants to work for the good of his country? If they can justify this bill from the point of view of justice and fairness, Madam Speaker, I shall have to accept it since they have the majority, and this would be regrettable. But I do not believe that the government members can defend this bill.

The last point I wanted to make is as follows: in 1974, at least 265,831 workers were penalized for having voluntarily quit their job. In the legislation proposed by the minister, the waiting period is doubled, which means that any one quitting his job will, in principle, have to wait eight weeks before receiving his first cheque. Madam Speaker, I have myself very often been before the arbitration board with my fellow citizens to defend their rights.

● (1730)

In almost 99.9 per cent of all cases where my people were accused of quitting voluntarily, we won our case and the commission ruled in our favour. But in all cases, never did an employer come himself to give his own version. Two weeks ago, I went before the board of referees in Drummondville. A certain employer maintained that a young lady had quit her job in a beauty parlor. That employer had sent a letter to downgrade completely the young hairdresser. When we showed up before the board of referees, there were the members of the board, the claimant, the secretary of the board and myself. The employer was not there. Even though he had condemned the young lady and had put her in a defensive position before the board, under an unduly complicated law, that man was absent. He had not even been invited or summoned. To have his revenge because he was losing a good employee and I suppose because he had not accepted the wage demands of the employee—another possible reason—the employer had written a letter which was against the interest of a young lady who had worked for him for three years.

In any case, Madam Speaker, that proves that if the minister really wants to have a truly effective legislation, which will prompt workers to keep their job, he must give claimants better protection against those who could abuse.

If we are going to adopt that part of the legislation against which I have nothing in principle, it remains that employers now wield an extraordinary weapon. They will be able to provoke their employees particularly where there is no union and we know that in my riding in Quebec many workers are not organized. Employers will be able to provoke their employees for any kind of reason knowing full well that no employee will dare quit his job lest he lose his income for eight weeks. And as the claimant has the onus of proving that he did not leave his job voluntarily and without cause, inevitably any fault is considered his but never the employer's.

I deplore, I must admit, such coercive measures which are very harsh and in which the employer has no role to play. When an employee is hired there are always two persons involved, he and the employer. When people work in factories, there are always two groups, the employers and the employees. But when somebody is laid off, the decision rests on one, the employer while the employee depends on this decision.

If an employee leaves his job, here again we find two parties—the employer and the employee. Who decided the employee should leave? To be fair in applying such a rigorous legislation, one should instruct each employer that every time an employee voluntarily leaves his job he should produce his version of the facts and even appear before the board of referees and justify the reasons why the employee left and why he was put by the employer in a situation where he was forced to leave his job.

With this eight-week system, we are going to see a number of abuses, particularly among the workers, if we fail to give them the protection they require. Madam Speaker, I was reading, I cannot remember exactly where, that last year 144,000 unemployment insurance claimants had been declared ineligible by the CMC because they had

not looked for a job, a decision which was taken on the strength of a single report. A number of members of this House have certainly heard of similar cases. After a certain unemployment period, the Commission communicates with the CMC officers and ask them to look for a job to propose one to the unemployed or to check if the claimants are actually looking for one.

One unilateral report from an anonymous manpower centre is enough to disentitle a claimant. All of a sudden the claimant sees himself deprived of all his rights. And the appeal procedure starts all over again. When the claimant appears before the board of referees to prove he made efforts to find a job, the manpower centre does not attend the board of referees' hearing either.

Madam Speaker, everything is set in a complex legislation so that the claimant is always the one who has the onus of proving his innocence, so to speak. In the board of referees procedure mentioned in the legislation, the minister will have to add provisions about employers who make all kinds of reports. I learned that in 1974, as many as 32,382 workers lost their jobs on account of misconduct. Alcohol or the irresponsibility of the employee may be the causes of misconduct, but it could also be due to an employer who exploits his employee. And yet, I think that there is not even 2 per cent of those cases of misconduct where the employer is required to give evidence before the board of referees.

Thus the claimant, and only the claimant, has to face the three members of the board of referees and has to put up his own defence against the Unemployment Insurance Commission, its act and regulations, and God knows how involved some of them are, and against an employer who has charged him with misconduct when he entered the word "misconduct" on his separation certificate. The employer is merely required to put down his firm name, the number of weeks worked and the word "misconduct". That is the employer's sole obligation. This means that any employer could put down the word "misconduct" on any employee's separation certificate and thus create a social tragedy, a human tragedy for a claimant when actually there may have been no misconduct at all. There again, the claimant has the onus of proving it while there is none for the employer.

I think that this is one of the act's serious shortcomings. I will conclude my remarks on this, Madam Speaker. I would still have many more to make, but I will limit myself to these on second reading, and I will perhaps hark back to it before the committee, at the report and third reading stages. I would like to summarize and say that the part dealing with 65 is-year-olds is, to us, absolutely inacceptable, unfair, and is even provocative for workers of 65 or over. It does not recognize their rights. It systematically withdraws them.

Madam Speaker, the second point is the decentralization of unemployment insurance benefit payments. I think that the minister cannot justify, defend or continue to defend such centralization in payments. The third point is the review process, that is the appeal process provided in the act. Provisions should be added so that employers and manpower centres that make reports on workers be also required by law to give their own views on the facts to ensure that the act is not a cause of inequity but a source of satisfaction and justice for workers.

I think the appeal procedure, the arbitration at the board of referees or before an umpire is an important means of checking whether there has been an error of judgment. As far as I know, before any court, there are always two parties. I think that before the board of referees, which is not a court but a place where people try to understand each other as well as possible, there should be as many statements of facts as possible.

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, those of my colleagues who preceded me this afternoon in the debate on Bill C-69 pointed out, some of them with great eloquence I felt, the weaknesses in present operation of UIC offices. They also highlighted, rather spectacularly, I thought, and here I am thinking of the hon. members for St. John East (Mr. McGrath) and Lotbinière (Mr. Fortin), the effects some of the provisions of the bill will have, in their opinion, on Canadians.

● (1740)

I should like to take the next few minutes to introduce also into this debate a note which, I think, will make the statements more consistent with everyday occurrences in Canada. Before doing so, I wish to remind you, Madam Speaker, that the unemployment insurance plan has been in effect for 35 years in Canada.

Canada did not break new ground in the field of unemployment insurance. Several European countries have had unemployment insurance for more than five centuries. Several even brought it in early in the 20th century. In Canada, the legislator became conscious of his role and of his responsibility to adopt income support measures only after the great economic depression of the thirties.

The first legislation on investments and social insurance passed in 1935 gave rise to many debates and even to conflicts of jurisdiction. As a matter of fact, some provinces had questioned the authority of the federal government to legislate in the field of unemployment insurance. A decision of the judicial committee of the Privy Council was required to define whether the Canadian government had full jurisdiction in the field of insurance.

But this legislation of 1935, the Investment and Social Insurance Act, was an act which sanctioned inequality to some extent. First, inequality concerning the age and also concerning facts. For instance, a young woman aged 16 or 17 could not receive weekly benefits exceeding $1.50 while a man 21 or over could receive more than $6 a week. Those figures, Madam Speaker, may seem a little ridiculous in the context of today's income scale, but they do shed light on the evolution of mentalities, priorities and, mostly, responsibilities of the Canadian government. No need to recall that current weekly benefits can amount to $123 and that they are based in the insurable income of the claimant during the qualifying period.

Madam Speaker, the role of unemployment insurance in Canada, is essential to maintain a certain economic stability. There are many factors in favour of maintaining unemployment insurance. One only has to bear in mind that the level of relative wealth in the various regions of Canada varies throughout the country, that social, geographical and even climatic conditions play a prominent part in the income scale of Canadians.

Madam Speaker, it is interesting to bear in mind that over 2.1 per cent of the gross national product in Canada is made up of unemployment insurance benefits. You will agree with me to what extent unemployment insurance benefits have a stabilizing effect on the income level and growth of the Canadian people in the Maritimes, in the North, in all areas of this country with different climatic conditions from one season to another.

Indeed, Madam Speaker, it must be known and kept in mind that unemployment benefits are not intended only as income support for claimants, they are also designed to maintain a decent income level within a community, to maintain, for example, within a particular community the level of public expenditures, the level of consumer expenditures, the level of rents, the level of owner expenditures at an acceptable rate.

And that is why, Madam Speaker, in the present situation, even with an excessively high rate of unemployment exceeding 7 per cent, and my colleagues referred to it this afternoon, that is why, Madam Speaker, in countries as important as the United States where there are more than eight million jobless, that is why also in countries like Japan, western countries like Great Britain, France, where the total number of unemployed now exceeds 14 million, in those countries there is no social unrest similar to that we experienced during the thirties or even similar to that Germany experienced, for example, during the twenties.

Unemployment benefits and unemployment insurance indeed play a significant stabilizing part in every industrialised nation, a stabilizing part which affects not only the economy but social life as well. And I believe that in discussing amendments to unemployment insurance it is essential to bear in mind their possible impact on the social atmosphere.

Of course, Madam Speaker, the plan in force since 1935 has been extensively overhauled. The law enacted in 1971, in particular, provided for automatic and annual equalization between premium rates and amounts of insurable earnings. Each year, therefore, the amount of insurable earnings of each Canadian worker and the premium he must contribute to the plan and to the unemployment insurance account are continually readjusted.

Madam Speaker, looking at those amendments which are before us today, I think we should be pleased to see that to a certain extent the minister and the government are conscious of their responsibility in continuously improving the unemployment insurance scheme. And before I comment on some of the proposed amendments which raise more questions than others, I think it is essential that I should repeat that at least three of them tend to achieve a balance which will prove beneficial to the entire system.

The first of these wise and desirable amendments, in my opinion, concerns the payment of travelling expenses incurred by a claimant or his representative when they have to appear before the board of referees. My honorable colleagues have mentioned and shown most convincingly how difficult it is in many instances for a worker to appear before a board of referees. If, on top of having to prove his case, the claimant has to pay for expenses incurred by his representative, I think there is an anomaly which should be corrected. As a matter of fact, in civil as well as criminal cases, some of the expenses of the parties who manage to prove their case are assumed by the court and by the departments of Justice.

Madam Speaker, I think in this instance, it is quite logical for the Unemployment Insurance Commission to pay for the expenses of the claimant or his representative, whether he be a lawyer, a union representative or even a member of parliament as in the case of the hon. member for Lotbinière. And I think it should be stressed that this amendment brings into the system an element of fairness which we all welcome.

The second amendment which, in our opinion, also relates to the desire for a balanced income, is the one which deals with qualification for benefits for a supplementary period of 104 weeks. Many Canadian workers find themselves in situations which disqualify or would disqualify them because they cannot complete that 104-week period. For instance, someone who must serve a jail sentence, who is temporarily disabled or who for various reasons, sickness or quarantine, must stay away from his job. I think that the amendment designed to complete that 104-week period restores the balance and the justice we wish to see in the system.

There are also more specific details in the definition of some terms that will also restore the balance. For instance, the definition and the details of the expression "suitable employment", the extension of benefit period in case of sickness and the authorization for the claimant to withdraw a claim will certainly contribute to restore that basic justice, the natural justice that was lacking during the trial periods of the system since 1971. Obviously, we have not heard the last of it and all the reforms needed are not contained in Bill C-69. It is easy to see for instance that one of the main defects which is not corrected in the bill concerns the consolidation of arbitration awards.

● (1750)

Having completed law studies, you know as well as I do, Madam Speaker, that one of the judicial guarantees is the knowledge by law officers of decisions rendered by the courts in earlier cases. It is important that workers and insured persons may eventually have access to an office consolidation of arbitration awards. I believe this would bring some uniformity into the plan, because it is realized that counsel, judges and arbitrators may have a different perception, different practices and various degrees of knowledge of the law from one area to the other. I believe it is important to standardize the administration of the Unemployment Insurance Act.

I will not insist on the complexity of the act. Every member in this House knows how many interpretation "unexpectabilities" must be faced when advising a voter or a citizen that consults us on the act. I believe the first guarantee we should seek to add to this legislation is precisely that of an administrative consolidation of arbitration awards, or at least a data centre on decisions awarded on the most stupid points, the most questioned ones or those that give rise to the largest number of problems with the insured.

A second amendment that should be introduced involves the number of days during which an employee, a worker has not worked at his job but may have returned to some part-time employment. It is realized that these periods of

disqualification, these loss of benefit periods very often induce claimants not to apply for employment or make any effort to accept temporary work. I believe the regulations should be reviewed at that level. This would bring some measure of justice that would better account for the desire of Canadians to work, as evidenced by the extra 104-week period applying to Canadian workers who had to momentarily leave the labour market.

Madam Speaker, this legislation aimed at giving the Unemployment Insurance Commission some credibility in the eyes of the Canadian people was not the only one passed since 1971. Previous speakers in this debate have shown to what extent the government's estimates of unemployment insurance administration costs have been wrong or low during the years which followed the amendment of the plan in 1971. I refer my colleagues to the estimates for 1973-74 where they will find that there was only a difference of 0.3 per cent between the costs anticipated in 1972 and the costs incurred in 1973. I believe, Madam Speaker, that in the case of a plan as complex as unemployment insurance, there is now some misunderstanding and a certain administration control which can lead us to think that we are on the right track.

Moreover, Madam Speaker, especially in 1972, bitter criticism has been heaped on the workers about the rip-off artists, about the people who collected benefits without trying hard enough to find employment. An article published in the *Globe and Mail* in April 1975 reported that more than 50,000 claimants would be prosecuted or have to return money within the next months. Madam Speaker, I think that if Canadians are to maintain their confidence in the system, not only must they be assured that justice is done within the system but also that justice appears to be done. In that sense, Madam Speaker, there is also room for important amendments. My colleagues have noted how employers seldom appear before boards of referees and how very little they have to do with the application procedures of the system.

I would like to say, Madam Speaker, that many employers fail or refuse to send their employment statement formula in the time prescribed under the program. If the program must be tightened, or if it must show fairness to those who do get undeserved benefits, I think it must also be severe and just as inflexible against those employers who do not comply with conditions and provisions of the law.

In my opinion, Madam Speaker, if this system is to be balanced, this also applies to employers, and I am sure that the amendments under consideration will not remain a dead letter in the minister's ear.

In fact, the minister has showed such availability and openmindedness in recent years that we are sympathetic to any amendment that could be proposed in this system.

Of course Bill C-69 still features three amendments that give rise to questions. These amendments, Madam Speaker, concern the disqualification of people aged 65. I do not support my colleagues's opinion that disqualifying people who reach age 65 deprives them of the right to work.

True, Madam Speaker, such disqualification prevents them from getting unemployment insurance benefits. In my opinion, Madam Speaker, if we want to have a true picture of the situation, we must pay more heed to the statistics referred to by my colleague. Madam Speaker, I am eager to acquaint you with Statistics Canada figures concerning people over 65. The persons who took part in the survey conducted by Statistics Canada stated unanimously that there are fewer workers who report as unemployed than there are claimants.

This seems to indicate that those people tell the investigators that they are not seeking employment and are not interested in working, while at the same time collecting benefits and telling the Commission they are actively looking for a job.

Therefore, it is becoming more and more difficult from an administrative point of view to ascertain whether or not unemployed over 65 really wish to find a job. The situation is as follows, Madam Speaker. In Quebec, for instance, some 16,000 claimants aged 65 or over now get unemployment insurance benefits. According to a survey made by Statistics Canada, about 8,000 of them, that is 50 per cent are in fact looking for work, and are actually interested in getting a job.

Consequently, we have this imbalance in the very objectives of the program which, of course, are to support income while also encouraging the unemployed to seek out work, and the will of the claimants who have reached the age of 65 to look for work and get a job.

The bill as proposed by the minister is a drastic one. It automatically excludes all persons who have reached the age of 65 and who get a pension from either the Canada Pension Plan or the Quebec Pension Plan. Madam Speaker, I think there is a happy medium which would probably allow us to solve the problem where the average claimant, of over 65 wants to withdraw from the working force while, on the other hand, wanting to get the maximum benefits to which he is entitled; and considering current contributions, that could amount to $6,373. I believe there must be a middle course to answer the purpose of the system. The bill, as proposed by the Minister of Manpower and Immigration, provides that any worker who is 65 and receives the pension benefits be given compensation equivalent to three weeks' unemployment insurance benefits.

I believe, Madam Speaker, that a worker who is 65 should be able to choose whether he wants to receive at 65 these three weeks of benefits proposed in the bill of the minister or to carry on within the system. In that latter case, he should be subject to all the controls and conditions of the bill. It has been found out, Madam Speaker, under the administration in recent months, that since 1971 half the claimants were not actually looking for jobs but that the commission officials, responsible for controls and investigation, hesitated to sue a 66-year-old employee because he had not taken the trouble to fill the necessary forms or to actually look for a job. Obviously, to harass someone who is 68 years old and who depends for his living on the unemployment insurance payments seems particularly odious and unbearable. But Madam Speaker, I believe that in this situation, there must be a middle course to be found and I believe it should be considered if we want this legislation to pass bringing more equity, the necessary support and incentives to work. I believe, Madam Speaker, that it is 6 o'clock.

[*English*]

BUSINESS OF THE HOUSE

Mr. Faulkner: On a point of order, Madam Speaker, I should like to confirm to the House that tomorrow will be an allotted day pursuant to Standing Order 58.

The Acting Speaker (Mrs. Morin): It being six o'clock, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 30, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

LABOUR CONDITIONS

REQUEST FOR REPORT ON ALLEGATION AGAINST SEAFARERS' INTERNATIONAL UNION—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 on a matter which has occupied a great deal of attention in this chamber during the past year, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the Minister of Labour, fresh from his triumphal appearance at St. John's, Newfoundland, report to the House at the earliest opportunity on the progress of the investigation which he announced in this House on May 21, 1975 into problems surrounding the SIU and put an end to persistent reports that the investigation has been shelved and that Mr. Carson, the respected gentleman appointed to head the inquiry, has been removed from that post.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OLYMPIC GAMES

SUGGESTED PARTICIPATION OF ALL CANADIANS IN COST—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to deal with a case of urgent and pressing necessity.

Considering that the Olympic Games in Montreal in 1976 will cost about $1 billion and probably will be in the red by several hundred million dollars, which should normally be absorbed by all Canadians, that the whole of Canada will benefit from the fame and international prestige of the games and that some programs which are essential to the development of the city of Montreal, such as the extension of the subway and the purifying of water supplies, may be placed in jeopardy on account of the games, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House take the necessary measures to ensure that the deficit incurred by the Olympic Games, which are due to take place in Montreal in 1976, be borne by all Canadians.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Standing Order 43 requires the unanimous consent of the House, for the motion. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

THE CANADIAN ECONOMY

SEARCH FOR LABOUR SUPPORT OF GOVERNMENT'S ANTI-INFLATION PROGRAM—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity arises from the profound need of the government to find any possible support from any possible element of the trade union movement for its anti-inflation program which heretofor, for some inexplicable reason, has been endorsed only by big business and chambers of commerce across the land. There has also been the related profound need of CBC television news to find the slightest bit of such support for the government so that it could convey such a surprising development to the people of Canada.

I, therefore, move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House compliments the government in obtaining the support for its program from Senator Lawson and further wishes to commend those responsible for the CBC national television news for their gifted insight into the fact that a Liberal appointed Senator announcing support for a Liberal government program constitutes a major breakthrough for the government and thus should be the lead item on the national news.

The House further urges the Minister of Labour, accompanied by CBC television cameras, to travel to New York in order to obtain additional support from their one other friend in labour, Mr. Hal Banks.

* * *

● (1410)

HOUSE OF COMMONS

SUGGESTED REFUSAL BY MEMBERS OF SALARY INCREASES FOR 1976—MOTION UNDER S.O. 43

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, under Standing Order 43 I rise to present a motion considered necessary and urgent in this inflationary period. In light of the government's proposals to initiate an attack on inflation, and in view of the election

promises made by the Prime Minister (Mr. Trudeau) that a Liberal government would implement leadership during its next mandate, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House deny the provisions of section 3 of the members' salaries act, Bill C-44, granting a 7 per cent pay increase effective January 1, 1976, for members of this parliament.

Mr. Speaker: Order, please. This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN BROADCASTING CORPORATION

REQUESTED RETRACTION OF PORTRAYAL OF HUNTERS AS RUTHLESS KILLERS—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. On the CBC program "Earthwatch" aired last evening, the sportsmen of Canada were portrayed as ruthless killers using aircraft and snowmobiles to track and shoot their quarry. As both these methods are unlawful in Canada, as all ethical sportsmen deplore them and as this film sequence grossly distorted facts presented to the general public, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the government immediately order the CBC either to substantiate the facts depicted by the film, or to make an immediate retraction.

Mr. Speaker: Order, please. The motion, pursuant to Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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BILINGUALISM

REDUCTION OF EXPENDITURE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion arising from the government's expressed need to cut government expenditures in the fight against inflation, and also arising from the millions of dollars being spent on the Prime Minister's personal sacred cow, bilingualism.

Mr. Speaker: Order, please. No doubt the hon. member is aware that an opposition motion on precisely the same subject is to be debated today and it would, I think, make a mockery of our procedures if we were to ask the House to give unanimous consent to debate a motion dealing with the same subject which the House is to debate at three o'clock.

[Mr. Broadbent.]

OLYMPIC GAMES

SUGGESTED INQUIRY INTO PROCEDURE FOR AWARDING CONTRACTS AND ASSURED OPPORTUNITY FOR ALL CANADIAN FIRMS TO SUBMIT BIDS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the failure of the Olympic Organizing Committee to invite bids from qualified Canadian firms for the manufacture and distribution of Olympic medallions, and in view of the awarding of that licence to a Swiss company, one of the principals of which is also involved in the building of the Olympic Village and in the manufacture and distribution of Olympic souvenirs, I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That this House record its view that qualified Canadian firms should have an opportunity to submit bids on all projects in connection with the 1976 Olympics and, further, that it instruct the government to initiate forthwith a comprehensive inquiry into all aspects of the procedure followed by COJO in awarding contracts and licences.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR CONDITIONS

SUGGESTED COMMITTEE STUDY OF MEANS OF STOPPING STRIKES IN PUBLIC SECTOR—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important and urgent matter.

In view of the constant conflicts between employers and employees degenerating into strikes which disturb the economy and the social balance of the country, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the government appoint a special parliamentary committee whose object would be to find means to control strikes at least in the public and semi-public fields and thus set the example.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SOURCE OF LIST OF FIRMS WITH WHICH BOARD COMMUNICATED

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct a question to the Minister of Finance arising from the list of firms to which the Anti-Inflation Board has written about the enforcement of the government's price and profit guidelines. Could the minister confirm that the government was forced to purchase this list, in whole or in part, from outside commercial sources because it did not itself have the necessary information available?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I had not heard that suggestion before, but I will be glad to inquire.

ANTI-INFLATION PROGRAM—REASON FOR OMISSION OF SOME FIRMS FROM LIST OF THOSE COVERED BY GUIDELINES

Mr. Walter Baker (Grenville-Carleton): Can the minister explain why a number of the major corporations in categories supposedly covered by the government's guidelines are not on the list? For example, three of Canada's largest development companies—Bramalea, Consolidated Building and McLaughlin—are not on the list. I ask this in view of the fact we have been told this list was to cover even the smallest construction firms.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not know exactly the source of the list, but I understand there was not information available exactly corresponding to the guidelines. Indeed, some firms were included which should not have been and others were left off. I understand that upon public response, the board has since gone out to remedy these deficiencies.

Mr. Baker (Grenville-Carleton): Since the names of many of the major corporate power centres in this country, including this government's great friend, Power Corporation, are missing from the list, is it government policy that such companies will be free to manipulate management fees and other inter-corporate relationships with their various subsidiaries without any active surveillance by the Anti-Inflation Board? Was that the policy of the government in the preparation of this list?

Mr. Macdonald (Rosedale): No, Mr. Speaker. As the hon. member might observe in reading the bill, where a corporation has consolidated its financial reports into a single one, where there is this control as deemed by the Income Tax Act, that applies to the company and all of its corporate affiliates. Of course, they all would be covered. Whether the corporation which the hon. member mentioned did that or not, I will look into that. Indeed, I was proposing to lay the list before the committee. However, I would point out to the hon. member that the response to the final part of his question is decidedly not.

ANTI-INFLATION BOARD—MEMBERS SUBJECT TO CONFLICT OF INTEREST GUIDELINES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct my question to the Prime Minister. In view of the fact that a number of the members of the new Anti-Inflation Board hold directorships in a number of corporations, is it the view of the government that these members of the board shall be subject to the government guidelines of conflict of interest and accordingly resign these directorships forthwith?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the general answer is yes. I have not looked into each particular case, but those members of the board whom I did contact personally raised this matter with me. It was understood that they would resign the directorships.

ANTI-INFLATION BOARD—INQUIRY WHETHER REPORTS AND ACTIVITIES WILL BE PUBLIC OR PRIVATE

Mr. James A. McGrath (St. John's East): In view of the fact that the success of the board will depend largely upon the degree of public support it is able to generate across the country, is it the intention of the government to ensure that the board reports from time to time to the public and operates generally within the public domain, given the wide discretionary powers that it has, or is it the view of the government that the board should operate in secrecy and report to the government in the same vein?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. The Minister of Finance tells me this is already provided for in the bill, namely that there will be public reports and public activities. The Anti-Inflation Board is perceived as an organization that will go out and help people understand about inflation, its causes and how they are trying to remedy it. I see the board very much like the former Food Prices Review Board under Mrs. Plumptre which had a great effect on persuading the public of its activities and communicating with them.

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NATIONAL SECURITY

INVOCATION OF WAR MEASURES ACT IN 1970—REQUEST FOR INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Following recent statements by Premier Bourassa and the Hon. Eric Kierans, a member of the federal cabinet in 1970, to the effect that neither of these gentlemen believed that an apprehended insurrection or state that would be appropriately described by that phrase existed in the province of Quebec at the time of invocation of the War Mesures Act, and since such action involved a major infringement upon the civil liberties of Canadians, is it the intention of the government to proceed with an inquiry under the Inquiries Act which could lead to a full investigation into the justification for the invocation of that act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know exactly what Mr. Bourassa or Mr. Kierans have recently been thinking or saying.

● (1420)

But I do know what they said at the time the War Measures Act was invoked. From Premier Bourassa we had a letter which I believe was read by the President of the Privy Council for the record a few days ago, a letter which specified that he as well as the authorities of the City of Montreal apprehended insurrection, and they were asking us to take these strong measures so that they could do their proper job of maintaining the peace.

In the case of Mr. Kierans, he was a member of the cabinet and he supported the cabinet at the time.

INVOCATION OF WAR MEASURES ACT IN 1970—BELIEF OF PRIME MINISTER THAT STATE OF APPREHENDED INSURRECTION EXISTED IN QUEBEC

Mr. Edward Broadbent (Oshawa-Whitby): Since, as the Prime Minister knows, ultimate responsibility for the invocation of such an act rests with the federal government, no matter what a particular provincial government might request, I should like to ask the right hon. gentleman whether it is still his view that a state appropriately described as an apprehended insurrection existed in the Province of Quebec in the fall of 1970.

Right Hon. P. E. Trudeau (Prime Minister): I can say quite clearly that if people in Quebec, the government of that province and the administration of the City of Montreal, had not told us they were convinced that there was a state of apprehended insurrection we would probably have looked twice before invoking the War Measures Act. But they did make this statement quite clearly to us; it was our judgment that they were right, that they were well informed; it was our judgment that there was a state of apprehended insurrection and therefore we declared the War Measures Act.

Mr. Broadbent: Since the then Minister of Justice and other ministers of the Crown said they hoped that after some time had elapsed a full revelation of all the facts which led to the government's decision could be made, given that kind of commitment, which was no more than an asserted plan of intention, does the Prime Minister not feel, now, that in the light of recent statements by Premier Bourassa in particular, the man who was then, as he is now, premier of the province, to the effect that his view was wrong, that if not under the Inquiries Act then in some other way a full public investigation of all the circumstances leading to the original decision should be made?

Mr. Trudeau: I repeat, I do not know exactly what Premier Bourassa thinks about this, but I do not take for granted the hon. member's assertion that he is now saying there was not a state of apprehended insurrection. It would surprise me greatly if he were to say that.

An hon. Member: He said it on TV over the CBC.

[Mr. Broadbent.]

Mr. Trudeau: He said the contrary in writing, and I would be very surprised if he were to say the contrary now if one listened to everything he had to say.

Mr. Broadbent: He did.

Mr. Trudeau: Well, will the hon. member send me a record of what he said on Sunday night?

An hon. Member: You were more interested in Kojak!

Mr. Trudeau: As somebody said, Mr. Speaker, I was more interested in Kojak.

Some hon. Members: Oh, oh!

Mr. Trudeau: With regard to the other part of the question as to what certain cabinet ministers think, the hon. member is free to ask Mr. Kierans. I do know I stated publicly both at that time and since, that the essence of the reason we invoked that act lay in a circumstance of which everyone was aware because I read a document to the House saying there was a state of apprehended insurrection in the minds of the authorities of the Province of Quebec. Our judgment was that they were making the right estimation at the time, and therefore we acted. I am not asking for any hidden evidence to support our action. It is all on the record and I will debate the subject any time with the hon. member.

* * *

[*Translation*]

OLYMPIC GAMES

FEDERAL PARTICIPATION IN COST—GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Prime Minister.

In answer to a question asked by my colleague from Rimouski yesterday, the Acting Prime Minister stated that the federal government would not assume any obligation toward the anticipated deficit of the Olympic Games. Therefore, I would ask the Prime Minister whether this decision is irrevocable and whether one should take it for granted that there will not be any kind of monetary participation in financing the games. In other words, does the government accept that these games, involving all of Canada, does he accept in principle that Montrealers or the province of Quebec should assume the cost of the games?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think there is a misunderstanding. The hon. member suggested that the federal government is taking no share of the cost of the games. That is of course a false impression. The federal government is contributing to the organization of the games in several ways: through military and police support, diplomatic services, housing assistance and so on, which amount to tens of millions of dollars.

As to the financing of the games, the hon. member also knows that the federal government—our government—introduced legislation that allowed the games to be self-financing: measures relating to coins, stamps, the lottery and so on. Therefore, it would be spreading a falsehood to say that the federal government is not supporting the

Olympic Games. What we are saying is that the Quebec government and the Montreal administration agreed with us, several years ago, that they would not ask us to take up the deficit, if there was any.

It was claimed at that time that there would be no deficit. However, it was agreed that we would not be asked to make it up, should there be one. Not so long ago, the Prime Minister stated again that he did not intend to ask the federal government to help them make good the deficit. However, if the hon. member insists that we spend money financing projects to which we are not required to contribute, let him say so bluntly, but neither Premier Bourassa, nor Mayor Drapeau, nor any of the COJO people have asked us to make up any part of the deficit. They know that we have already contributed very substantially and continue to contribute to the Olympic Games, for which they are very grateful.

* * *

[*English*]

AIR CANADA

ESTEY REPORT—SUGGESTED EARLY IMPLEMENTATION OF RECOMMENDATIONS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. Because of increasing media speculation, such as the current article in the *Financial Post*, concerning the contents of Judge Estey's report, realizing full well the government's difficulties in terms of translation, and also keeping in mind that the government itself knows the contents of Judge Estey's report, will the minister not agree that it would be best to make a decision on the report's recommendations soon instead of waiting for the official tabling, which could take many weeks?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I indicated in answer to the first question concerning the report, I believe last week, that it would be our intention to consider the contents of the report even during the period that printing and translating were underway.

Mr. MacKay: A supplementary question, Mr. Speaker. I am reassured by the minister's answer, and I repeat that I realize the government has problems and that I do not expect the minister to perform miracles in getting the report before the House. But again I ask, is not the minister willing to concede that a lot of harm is being done in many ways to the airline by continuing to delay releasing the report? Once again may I ask him whether he will consider taking definite steps to implement some of the recommendations on a matter of great importance affecting this country's national airline?

Mr. Lang: Mr. Speaker, certainly I am concerned that any harm may be done, and indeed I may have to consider making some comment about the clear and sound nature of the airline operation which emerges. However, I will reflect on that as I read the press statements referred to.

INDUSTRY

PROPOSED INTRODUCTION OF INCENTIVES TO INCREASE PRODUCTIVITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the chairman of the Economic Council of Canada has stated in his latest report that Canada's productivity is almost the lowest of all industrial nations, and as output per man hour in Canada actually decreased last year, the first decline in the last 15 years, would the Prime Minister give consideration to introducing industrial incentives to be paid in direct proportion to increases in productivity so as to make possible lower costs and prices, reduce inflation and promote greater sales of Canadian products both in Canada and in the export markets?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the spirit of the question is valuable and constructive. I think the importance of increasing productivity is very great. I would not argue the details as to why at this particular term of their productivity cycle certain European countries are higher than we are. As the hon. member knows, when there is an upsurge in the cycle productivity tends to increase. We are confident this will happen in Canada. The suggestion in respect of incentives is a valuable one. Knowing of the hon. member's concern with this I asked our people in the Privy Council and the Department of Finance to examine it.

The hon. member will note that of course there already are in the guidelines, as we published them, productivity incentives in the market place for those firms which do increase their productivity. We will examine other constructive methods of achieving that result. It is very important that we realize that we have to make serious improvements in productivity.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED SURVEILLANCE OF CERTAIN CANADIANS OF ARAB DESCENT—REQUEST FOR REPORT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Solicitor General which is prompted by a news item, with which he is familiar, in the *Globe and Mail* that casts the shadow of subversion or worse over thousands of decent Canadians of Arab descent. Will the minister clarify the situation outlined in the story and at least indicate if the 14 persons are under surveillance, as the recently discovered security director Mr. Toupin states, or are not under surveillance, as the minister has stated?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP has told me there is no plot among Arab Canadians such as outlined in the *Globe and Mail* story published the other day. The RCMP has informed me it is continually on guard against any type of terrorist plot in Canada, particularly in view of the Olympic games coming up next year. At the present time there is no such plot as set out in that article.

Oral Questions

RESOURCES

SUGGESTION CANADIAN STEEL COMPANIES ESTABLISH IRON ORE PELLET SOURCE IN NORTHERN ONTARIO—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. In view of the fact that the three large steel companies in Canada, that is Stelco, Dofasco and Algoma, have made the decision to tie into the high cost iron ore pellet source from the United States, has the government made any approach to the governments of Ontario, Manitoba, Saskatchewan and Alberta to push for an integrated pelletizing operation in northwestern Ontario so we can keep our steel prices lower in Canada than in the United States?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have been informed that there have been discussions in respect of certain deposits in northern Ontario which might be used by Canadian mills in various parts of Canada, not just from Ontario. As to whether those particular firms have given recent consideration to the proposal put forward by the hon. member, I cannot say, but I would be very pleased to find out and let him know.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, when the minister is looking into this subject will he discuss with officials of his own department, who I know for the last two or three years have been supporting this type of integrated operation with the steel plants in the three prairie provinces, the possibility of gaining access to these very rich iron ore deposits in northwestern Ontario?

Mr. Gillespie: Mr. Speaker, we have already had this kind of discussion.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—STATEMENT BY MR. WELLS THAT TEACHERS SHOULD IGNORE WAGE GUIDELINES DURING NEGOTIATIONS—MINISTER'S POSITIONS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Finance and arises from remarks by the Ontario Minister of Education, Mr. Wells, in connection with contract negotiations involving Metro-Toronto teachers. Can the minister inform the House whether, in the case of Toronto teachers and, indeed, in other similar situations, he endorses Mr. Wells' view that contract negotiations should proceed between employers and their employees without regard, at least initially, to potential complications that may arise from the federal government's guidelines on wage and salary increases?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I might perhaps put it in a different way. I would say that the fact that we do have the guidelines and the restraint program outstanding should not prevent parties from getting down to the bargaining table. We hope they will be guided at the bargaining table by the fact that the guidelines and the request have been put out to all Canadians to restrain their demands on the economy. Of course, when they do have a completed contract, and this is on the assumption, firstly, that the bill is approved by the House and, secondly, that the Ontario government is prepared to enter into an agreement under the bill to give responsibility to the federal government in this area, that contract should be brought forward for the scrutiny of the Anti-Inflation Board, if that seems appropriate at the time.

[Mr. Allmand.]

ANTI-INFLATION PROGRAM—ADVISABILITY OF PAYING WAGES HIGHER THAN GUIDELINES WITHOUT CONSENT OF BOARD

Mr. John Gilbert (Broadview): Mr. Speaker, does the minister agree with Mr. Wells in saying that once an agreement is reached between the school board and the teachers the school board should pay the higher compensation without the consent of the Anti-Inflation Board?

Hon. Donald Macdonald (Minister of Finance): Mr. Speaker, my advice to the school boards or, indeed, to any other organization in Canada, is that if there be any doubt in this regard in respect of the contract being entered into they should confine themselves to the payment of the guideline limits and should be seeking advice as to any excess that might be payable.

Mr. Baldwin: Maybe they started discussing it last July.

ANTI-INFLATION BOARD—LENGTH OF TIME TO DEAL WITH APPEALS

Mr. John Gilbert (Broadview): Mr. Speaker, does the minister agree with Mr. Wells that it will take approximately a year and a half before a case can go before the Anti-Inflation Board because of the lengthy appeal procedures?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker. I think the Ontario minister misunderstood the procedure. The board can, of course, conduct a quick scrutiny of the situation and, in appropriate cases, refer the matter to the administrator. The onus will then be on the party ordered against to change the decision, but the decision will stand and the party will be bound by it until the appeal tribunal determines otherwise.

[*Translation*]

ADMINISTRATION OF JUSTICE

FUNDING OF ORGANIZATIONS AIDING JUVENILE DELINQUENTS—GOVERNMENT POSITION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I should like to ask the Solicitor General a question.

Since some organizations in the constituency of Hochelaga are already dealing with the prevention of juvenile delinquency and also with the possibility of providing jobs for ex-inmates, could the Solicitor General tell the House whether those organizations could get some financial assistance from his department to achieve their goals?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the Department of the Solicitor General does fund projects in respect of juvenile delinquents and assists groups in finding work for ex-inmates. Whether the groups in the hon. member's constituency would be eligible depends on the applications. I would suggest that they forward their applications which will be considered in the usual way.

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[*Translation*]

FISHERIES

REDUCTION OF PATROLS ON THE WEST COAST—GOVERNMENT ACTION TO REINSTATE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to get some clarification on an answer that was given to me recently by the Minister of the Environment. For that reason, I will put my question to the Minister of State for Fisheries.

Could the minister assure the House that patrol vessels which protect our fisheries have resumed their usual activity or does he have to admit that those patrols have been substantially reduced, which could cause irreparable damage to our fisheries as well as to our claims under the law of the sea convention?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, if there has been some reduction, it was because the *Tanu* needed repair and it was several days before it could put back to the sea again. Six out of 17 of our patrol ships have resumed their activity or will next week to check herring stocks. I must say to the hon. member that it is normal at the end of the salmon fishing season to assemble the fleet, either to allow certain crews to go on leave or to rearrange the schedule of some other crews. I agree with him that there are some financing difficulties and that we must maintain a stock for spring fishing especially herring during the month of March, but I can assure him that it is not our intention at all to leave that part of the sea unprotected.

* * *

● (1440)

[*English*]

FINANCE

ARRANGEMENTS FOR DELIVERY OF SAVINGS BOND DIVIDEND CHEQUES IN VIEW OF POSTAL STRIKE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday in reply to a previous question of mine the minister said they were negotiating with the chartered banks an alternate system for getting the November 1 interest payments on Canada Savings Bonds into the hands of the recipients. I understand the negotiations have been successful. Can the minister give us any details that would clear up the question of how the savings bond holder is to get the interest payment?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to express my appreciation to the hon. member for Victoria for his consideration and initiative in this regard. As he indicated, we have now completed arrangements with the chartered banks whereby recipients of interest payments on the Canada savings bonds falling due November 1 may obtain payment of those amounts by application to the chartered bank, credit union or other financial institution with which they deal. In this respect persons should contact their appropriate fiscal representative of that kind, indicating their full identity, and the government will make every effort as soon as possible to get those cheques into the hands of the financial institutions for payment to those individuals.

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EXTERNAL AFFAIRS

STATEMENT BY MR. LAJOIE THAT THIRD WORLD COUNTRIES SHOULD RECEIVE GRAIN BEFORE TRADITIONAL CUSTOMERS—MINISTER'S POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Secretary of State for External Affairs. Was Mr. Lajoie, head of CIDA, stating government policy when, speaking to the Canada Grains Council, he suggested Canada should have its traditional customers for grain, Russia, China, Japan and Great Britain, stand aside until the starving third world countries have their needs filled.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not seen the comments attributed to the gentleman in question, but certainly he was not speaking for me in making that statement.

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ADMINISTRATION OF JUSTICE

CBC FILM SHOWING HUNTERS USING ILLEGAL METHODS—REQUEST FOR INVESTIGATION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Solicitor General. In view of the fact that sportsmen of Canada were portrayed as ruthless killers using aircraft and snowmobiles to track down and shoot their quarry on the CBC film "Earthwatch" and as both these acts are against the law in every province in Canada, would the minister undertake to ascertain where the film sequences were taken and who the persons were that participated in these illegal acts, particularly in Canada?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not sure whether that comes within my responsibility but I will check and report to the hon. member.

[*Translation*]

THE CANADIAN ECONOMY

OPPOSITION OF QUEBEC LABOUR LEADERS TO ANTI-INFLATION PROGRAM—MINISTER'S POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Finance.

In view of the statements made yesterday by the leaders of the two most influential unions in Quebec, the CNTU and the QFL, who went as far as calling the minister an "arrant liar", statements with which I do not associate myself, can the minister tell the House if he maintains his assertion that he unofficially has the support of the Quebec union officials for his anti-inflation measures and, if so, is he willing to name the leaders who have assured him of their support?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I must point out that in fact I did not speak to those two Quebec unions leaders. What I said in Montreal was that, I myself, as well as some of my colleagues, have spoken to many union members who support the government program. I also pointed out the fact that some other union leaders, and I mentioned for instance Mr. Joe Morris, have indicated, privately and publicly, that they were against them. But actually I did not mention the two union leaders the hon. member has referred to, nor am I thinking of them in my remarks.

Mr. Wagner: Mr. Speaker, I have a supplementary.

Would he be prepared to agree with the suggestions of the union leaders in Quebec and meet them in a public debate to discuss the relevancy of the anti-inflation measures?

Mr. Macdonald (Rosedale): I am not necessarily against such a debate but it seems to me more progressive to have private meetings. If they can make useful suggestions to fight inflation, I would be prepared to see these two gentlemen.

* * *

[*English*]

INDIAN AFFAIRS

POSSIBLE DENIAL OF ACCESS TO COURTS FOR SETTLEMENT OF GRIEVANCES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development, I should like to ask the Prime Minister if it is now the intention of the government, with the appointment of Mr. Digby Hunt as an Indian claims commissioner, to take the question of Indian claims settlement into the political arena rather than make it possible for natives in the future to take their grievances to the Canadian courts.

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I would not want to upstage, nor could I, the Minister of Indian Affairs and Northern Development but I think in the interest of giving the hon. member a good answer we will wait until tomorrow and I will take the question as notice.

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IMMIGRATION

DEPORTATION OF GENERAL QUANG—REASON FOR DELAY

Mr. Derek Blackburn (Brant): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. I would like to know whether it is now the policy of the government to allow aliens who have been involved in drug trafficking abroad to remain in Canada on so-called humanitarian grounds because they might face prosecution if they were deported. I say this in reference to General Dang Van Quang who has been under a deportation order for nearly four months which order the minister has not carried out.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in respect of the deportation of General Quang it is a matter of record of course that discussions are taking place, most particularly with the United States authorities to see whether there is any possibility they will accept him under their immigration law and there has not been a refusal on that score as yet.

Very frankly and candidly I would much prefer to see the deportation of this person, as unacceptable as he is for reasons already stated, effected to that country rather than face the final decision as to whether or not to send him back to South Vietnam. While that possibility has any reasonable chance of coming forth I would prefer to delay, even though it may take a few more months for a decision to be rendered.

Mr. Blackburn: Mr. Speaker, I should like to ask the minister if in the final analysis there is no other country that will take Quang will he assure the House that he will carry out that deportation order to South Vietnam.

Mr. Andras: Mr. Speaker, I will make that decision when the matter of other alternatives is clarified.

FOREIGN INVESTMENT

BID BY GENERAL STEEL WARES TO TAKE OVER WESTINGHOUSE—REQUEST FOR EXTENSION OF CLOSING DATE

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Can the minister advise if there has been any progress in the discussions between his officials and officials of Westinghouse, White Consolidated Industries and General Steel Wares and whether there has been an extension to the October 31 closing date of the offer of General Steel Wares?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, as the hon. member may be aware a number of meetings have been carried on in recent days. As of this morning I instructed my deputy

minister to suggest to General Steel Wares, the potential purchasers, that they seek an extension. I am waiting until after the question period to meet with my deputy. I have no reason to believe that that extension will not be sought. I have had representations from various groups which the Minister of Labour has brought here and I have given them that assurance that we will look for the extension. If it occurs, then further discussions will continue, starting I believe tomorrow, with representatives of GSW and then the other companies involved in subsequent days over whatever the period of extension is.

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BROADCASTING

ESTABLISHMENT OF FRENCH LANGUAGE TELEVISION STATION IN BRITISH COLUMBIA—REQUEST THAT WORK ON TRANSMITTER BE STOPPED

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Acting Minister of Communications. In view of the fact the CRTC hearings will not be held in Vancouver until February to decide whether or not British Columbia should have a French language television station can the minister assure the House that all work is stopped in respect of setting up the transmitter on Mount Seymour for that station?

Hon. Otto E. Lang (Acting Minister of Communications): I cannot, Mr. Speaker, but I can assure the hon. member that the question of any broadcasting would depend upon a proper license.

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TRANSPORT

REQUEST FOR STATEMENT ON DREDGING POLICY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have question for the Minister of Transport.

Some hon. Members: Hear, hear!

Mr. Paproski: All the ministers on the other side are so amiable today I am sure they will answer all our questions. I know the Minister of Transport will answer me. Does the minister plan to make a statement on motions as to what he plans to do on the impasse in respect of dredging in Canada and when can we expect some statement from the minister?

Hon. Otto E. Lang (Minister of Transport): I have no present intention of making a statement.

Mr. Paproski: Mr. Speaker, since the former Minister of Transport has said on numerous occasions that the Department of Transport is in a mess and in light of the high cost of construction of Mirabel as well as the multimillion dollars spent on consultant fees, would the present minister like to comment on his department and say it is a lucrative, benevolent mess; yes or no?

• (1450)

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Capilano.

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LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR REPORT ON INVESTIGATION

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of Labour. Further to the announcement the minister made last May about an inquiry into certain problems surrounding the SIU, is he now in a position to report on the results of that investigation and whether there have been any changes in the personnel who were originally charged?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the hon. member may be aware that the RCMP were called in to conduct an investigation. I assume the investigation is continuing. If the hon. member wants further details, I believe he should direct his question to the Solicitor General.

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ADMINISTRATION OF JUSTICE

ALLEGED REQUEST OF ONTARIO CORONER FOR ASSISTANCE IN INVESTIGATING SHOOTING INCIDENT IN OTTAWA—MINISTER'S POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Solicitor General. In light of recent tragic events and the concern expressed publicly by the supervising coroner of Ontario, would the Solicitor General undertake to give the assistance of his department to the supervising coroner of Ontario, should he request it, with regard to the tragic events which took place in Ottawa just recently?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I must tell the House that I have not yet received any invitation from the coroner either by telegram, telephone or by any other method whatsoever. I find it rather unusual that he should issue invitations to me in a challenging way through the public press. If we do receive an invitation, we would consider it seriously.

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AIRPORTS

TERMINATION OF AGREEMENT WITH PORTERS—GOVERNMENT ACTION TO SAVE EMPLOYMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct this question to the minister in charge of Air Canada, among other things. When I was in Toronto this morning porters brought to my attention the fact that as a result of the cancellation of the porter agreement which has taken place, these porters, despite in some cases many years of good service—some up to 20 years and beyond—have received notices of dismissal. Will the minister look into this matter? Apparently an American com-

pany has taken the place of a Canadian company, and these porters are naturally deeply concerned that a month from now, their notice having been received today, they will be out of work.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be very glad to look into the matter.

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LABOUR CONDITIONS

DATE OF REPORT OF DR. HALL ON PENSIONS OF RAILWAYMEN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Labour. Can the minister indicate whether we might soon see the report of Dr. Noel Hall concerning all aspects of railway pensions?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am as eager as the hon. member to find out the results, which I hope will be very soon.

* * *

[*Translation*]

ENERGY

REQUEST FOR REPORT ON PROGRESS ON ESTABLISHMENT OF ENRICHED URANIUM PLANT IN QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Minister of Energy, Mines and Resources.

I would like to know about the progress of the talks with the province of Quebec on the establishment of the enriched uranium plant. Has Quebec given up this file or its responsibilities to the government, or has the minister recently met with the minister responsible in Quebec to reach a conclusion?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, there have been a number of conversations between officials of my department and Quebec government officials. I think the arrangement which has been worked out is that the Quebec government will proceed with its own particular feasibility or pre-feasibility study. For our part we will be undertaking a particular study dealing with economics and other factors which come into play for that major proposed project.

[*Translation*]

Mr. La Salle: Mr. Speaker, a supplementary question.

Last week, Mr. Villeneuve, Hydro Quebec's representative and director of transportation, said before Mr. Farmer, a spokesman for the National Energy Board of the federal government, that Ottawa could force Hydro Quebec to sell its power. He also said that a request made fifteen months ago by Hydro Quebec is still pending before the National Energy Board. Can the minister tell the House if Ottawa proposes to force Quebec to increase its rates? Also, can he say whether Quebec will soon get an answer?

[Mr. Diefenbaker.]

[*English*]

Mr. Gillespie: Mr. Speaker, we are not interested in forcing anyone to do anything.

* * *

OLYMPIC GAMES

PROPOSED INVESTIGATION OF CONTRACT PROCEDURES AND COSTS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is supplementary to an earlier question asked of the Prime Minister about the Olympics. I was pleased to note, from the Prime Minister's answers to earlier questions, his interest in the Olympics now, which seems to be in contrast with the time he emphatically stated that the federal government would not pay one cent toward the games.

In view of the many difficulties and irregularities in the letting of contracts, security and other problems as well as the continual increase in the cost, which is expected now to reach $1 billion, notwithstanding over $200 million in direct grants by the federal government, would the Prime Minister be prepared to have the government initiate a detailed investigation into the letting of contracts, rising costs and all of the other problems in order to try to at least curb this runaway situation, and could he make a report available to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure it was not intentional, but the hon. member just misled the House by saying that I had said the government would not pay a single cent. As a matter of fact, in my initial statement in parliament when I responded to the request of Mayor Drapeau and COJO, I made it quite clear that we would not pick up deficits, and so on, but that we would pay certain costs which result from federal participation. I mentioned specifically CBC, police, army, diplomatic services and so on, so the hon. member should not try to convey the impression that I am changing our position. It is the same position it was initially.

If the hon. member is suggesting that we step in to try to control and be prepared to pay part of the deficit, I am sure there are many Canadians who would support him, but I wish he would make his position clear.

Some hon. Members: Hear, hear!

Mr. Jelinek: Before I come to my supplementary I should like to clarify my suggestion. I was not trying to mislead the House, but I was under the impression that before the original Olympic bill came before the House the Prime Minister was quoted as saying that.

Some hon. Members: Oh, oh!

Mr. Jelinek: My supplementary is actually the same question. Because of all the problems Montreal and COJO are experiencing, I ask the Prime Minister whether he would be prepared to initiate an investigation in order to help them out and in order to curb the runaway problems which Montreal and COJO are experiencing.

Mr. Trudeau: That is really part of the same question the hon. member asked previously, but I put it to him that if we want to investigate and control costs, supervise the contracts and sign them ourselves, the hon. member is really suggesting that we do share part of the responsibility for the deficit. If this is his position, he should state it clearly on behalf of his party, and we will consider it.

Some hon. Members: Hear, hear!

* * *

TRANSPORT

FREIGHT RATES—INCREASE IN RATES ON CONTAINERS FROM HALIFAX—SUGGESTED DELAY IN IMPLEMENTATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have another question for the Minister of Transport. What action does the government propose to take with respect to the additional 10 per cent plus 5 per cent increases in freight rates for containers moving out of the port of Halifax into central Canada? These increases come into effect very shortly and will bring to a total of 73 per cent the increases in freight rates in the last five or six years for that particular item.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as indicated in the House in answer to earlier questions, all proposed freight rate increases will now have to be tested against the guidelines. There are some complicated questions involved in determining the application of those guidelines to such complex matters as freight rates, and we are looking into the question of the exact nature of those guidelines now.

Mr. Forrestall: I wonder if I can assume from the welcome response of the minister that some action will be taken to defer or delay the implementation of further freight rate increases in instances such as this until such time as the review board has procedures in place to deal with them and to consider them properly.

● (1500)

Mr. Lang: Mr. Speaker, I would not want to forecast the specific details until I am rather more sure about the nature of the application of the guidelines to freight increases.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I should like to ask the government House leader about the business for the rest of this week and next week. I watched him counting on his fingers the number of shopping days to Christmas, so perhaps he will tell us what he dreams of finding hung on his legislative Christmas tree on, say, December 19.

Mr. Sharp: Mr. Speaker, as the House leader for the official opposition has indicated, the House leaders have had some discussion about the program of measures the government would like to have dealt with by the House before Christmas. There is universal, enthusiastic support for a fixed day for the beginning of the Christmas break, which we all agree should be, if possible, December 19. In order to realize these various objectives, it will be necessary to manage the time devoted to the various measures before us and, particularly, to move bills into standing committees as expeditiously as possible.

With that in mind, I am announcing a program which the House leaders believe is manageable, and would not unduly restrain debate on any particular measure, for the period Friday, October 31, to Friday, November 7, inclusive. This program would cover the following items: second reading of bills C-28, C-21 and S-10; the remaining stages of Bill C-25; second reading of Bill C-69; second reading of Bill C-65 and its consideration in committee of the whole; second reading of Bill C-52.

Hon. members will note that this package of measures includes some that might be called housekeeping items which are not likely to involve much by way of debate, some relatively non-contentious bills, and the conclusion of the second reading debate on Bill C-69 relative to unemployment insurance. The intention is that debate on second reading of Bill C-69 will resume on Monday, November 3. There has been agreement among House leaders that in order to have some prospect of reaching our objectives, we should agree now to reduce somewhat the time limitation on speeches upon resumption of second reading.

I therefore move, seconded by the hon. member for Peace River (Mr. Baldwin):

That when the House resumes consideration of the second reading stage of Government Order No. 69, an act to amend the Unemployment Insurance Act, 1971, all speeches be limited to 30 minutes during the debate on second reading.

Mr. Speaker: Order, please. If I am not mistaken, the motion refers to Government Order No. 69. In fact, it also refers to Bill C-69. I do not know whether there is some confusion. The House has heard the terms of the motion. Is it the pleasure of the House to adopt this motion?

Motion agreed to.

Mr. Baldwin: Mr. Speaker, while we are all getting along so famously, I wonder if the minister could clarify the government's intention with regard to November 10, respecting which there was a measure of agreement, so that the House can make certain that this will be a fait accompli?

Mr. Sharp: Mr. Speaker, as I said in the House one day last week, there is a general desire that the House should not sit on November 10, this being the day before one of the legal holidays. That has been agreed, and I intend to bring forward an order to add some time to government days in order to make up for the time lost. I did make another suggestion to the House leader of the official opposition, but I hesitate to mention it in case he turns it down.

Order Paper Questions

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as will be clear, we have agreed to certain matters which have already been mentioned. However, may I ask the government House Leader my weekly question about two pieces of legislation? I realize that in the discussions yesterday, reference was made to the bill to amend the Government Annuities Act. Can we be assured that that bill will be before us in time for it to be dealt with before Christmas? Also, can the minister say whether the bill based on the report of the Standing Committee on Veterans Affairs regarding Canadian veterans who were prisoners of war will be before us so that we can get it passed before Christmas?

Mr. Sharp: Mr. Speaker, in cabinet today we dealt with both of those measures. We agreed on the terms of the bill to amend the Government Annuities Act and it will come forward in the next few days. We also discussed the terms of the other bill but did not reach a final conclusion, although things are moving.

* * *

IMMIGRATION POLICY

CONCURRENCE IN SECOND REPORT OF SPECIAL JOINT COMMITTEE

Hon. Martin O'Connell (Scarborough East) presented the second report of the Special Joint Committee on Immigration Policy, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: 2,307, 2,308, 2,309, 2,310, 2,311, 2,312, 3,105 and 3,131. I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Texte*]

PRIME MINISTER'S RESIDENCE

Question No. 2,307—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 stating in part that a 20" Electrohome colour television at $579.95 and a Zenith 20" Colour television at $650 were purchased for the Prime Minister's residence at 24 Sussex Drive (a) on what date and from whom were such items purchased (b) on what other occasions since April 20, 1968 have television sets been purchased at public expense for 24 Sussex Drive and what is the item and cost in each case?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and the Prime Minister's Office as follows: (a) The television sets referred to in question No. 1352 were bought at Consumer's Television Service Limited, 685 Bank Street, Ottawa, on August 29, 1973 and Federal Electronics Registered, 57 Beechwood, Ottawa, on September 9, 1974 for $650.00 and $579.95 respectively. (b) None.

PRIME MINISTER'S RESIDENCE

Question No. 2,308—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 stating in part that an antique French directoral bergère was purchased at a cost of $1,100 for the Prime Minister's residence at 24 Sussex Drive (a) on what date and from whom was such purchase made (b) who are all the persons choosing and recommending such purchase (c) were any designers, interior decorators involved and, if so, what are their identities and what fees did they receive?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and the Prime Minister's Office as follows: (a) The purchase was made from Antiquités Crescent Antiques Inc., 2137 Crescent Street, Montreal 107, Quebec, on July 12, 1973. (b) See reply to question No. 28. (c) No.

PRIME MINISTER'S RESIDENCE

Question No. 2,309—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 stating in part that two Elda chairs were purchased at a cost of $2,052 for the Prime Minister's residence at 24 Sussex Drive (a) on what date and from whom was such purchase made (b) who are all the persons choosing and recommending such purchase (c) were any designers, interior decorators involved and, if so, what are their identities and what fees did they receive?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and the Prime Minister's Office as follows: (a) The purchase was made from Gemini Furniture Sales Limited, 29-1 Connell Court, Toronto, Ontario, on November 15, 1973. (b) See reply to question No. 28. (c) No.

PRIME MINISTER'S RESIDENCE

Question No. 2,310—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 stating in part that an antique Georgian chandelier circa 1790 was purchased at a cost of $3,000 for the Prime Minister's residence at 24 Sussex Drive (a) on what date and from whom was such purchase made (b) who are all the persons choosing and recommending such purchase (c) were any designers, interior decorators involved and, if so, what are their identities and what fees did they receive?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and the Prime Minister's Office as follows: (a) The purchase was made from the Paisley Shop Limited Antiques, 889 Yonge Street, Toronto, on November 14, 1973. (b) See reply to question No. 28. (c) No.

PRIME MINISTER'S RESIDENCE

Question No. 2,311—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 stating in part that two antique French armchairs circa 1830 were purchased at a cost of $1,251 for the Prime Minister's residence at 24 Sussex Drive (a) on what date and from whom was such purchase made (b) who are all the persons choosing and recommending such purchase (c) were any designers, interior decorators involved and, if so, what are their identities and what fees did they receive?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and the Prime Minister's Office as follows: (a) The purchase was made from Antiquités Crescent Antiques Inc., 2137 Crescent Street, Montreal 107, Quebec on July 12, 1973. (b) See reply to question No. 28. (c) No.

PRIME MINISTER'S RESIDENCE

Question No. 2,312—**Mr. Cossitt:**

With reference to the answer to Question No. 1,352 stating in part that an antique French bergère circa 1820 was purchased at a cost of $950 for the Prime Minister's residence at 24 Sussex Drive (a) on what date and from whom was such purchase made (b) who are all the persons choosing and recommending such purchase (c) were any designers, interior decorators involved and, if so, what are their identities and what fees did they receive?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and the Prime Minister's Office as follows: (a) The purchase was made from Antiquités Crescent Antiques Inc., 2137 Crescent Street, Montreal 107, Quebec on July 12, 1973. (b) See reply to question No. 28. (c) No.

MANPOWER AND IMMIGRATION PUBLICATION—*M & I NEWS*

Question No. 3,105—**Mr. Epp:**

1. What is the yearly budget for the Department of Manpower and Immigration publication *M & I News*?

2. What was the cost for June 1975?

3. Is the publication printed by (a) government facilities (b) private printers and, if so, what is the name of the printer?

4. Were tenders called for the printing of the publication?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Budget for 1975-76—$28,000.

2. Cost for printing June, 1975—$7,644.15.

3. (a) No. (b) Yes, Mutual Press Ltd., 1424 Michael St. Ottawa.

4. Yes, tenders were called and contract awarded by D.S.S.

OPENING OF MIRABEL AIRPORT

Question No. 3,131—**Mr. Beatty:**

1. Did any reporters invited to attend the press activities for the opening of Mirabel Airport have their (a) transportation (b) accommodation paid for by the government and, if so (i) how many (ii) what was the cost to the taxpayer for each activity?

2. What was the cost to the taxpayer for (a) liquor (b) food supplied for the use of reporters and government officials involved with the press activities?

3. (a) What other categories of persons except government employees had either their transportation or accommodation paid for by the taxpayer (b) what was the total cost to the taxpayer for each category?

4. What was the total cost to the taxpayer for the provision of (a) liquor (b) food for all of the activities commemorating Mirabel's opening?

Hon. Otto E. Lang (Minister of Transport): 1. (a) No. (b) No.

2. (a) $3,306.78. (b) $6,075.

Order Paper Questions

3. (a) Nineteen foreign ministers responsible for Civil Aviation including wives and one assistant. The Canadian government is paying the cost of accommodation but not transportation. (b) Total cost $12,179.

4. (a) $20,250. (b) $48,840.96.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. The other day, in the absence of the Prime Minister, I raised a point of order concerning the answer given to question No. 1,233. Now that the Prime Minister is back in the House, I should like to raise it again because I feel it is quite appropriate. The question concerns the swimming pool at 24 Sussex Drive and the fact that certain questions, particularly No. 1,233, have been answered with non-answers. I ask the Prime Minister, on this point of order, if he can now assure the House beyond any doubt that there is no impropriety, no conflict of interest or anything existing in regard to the swimming pool at 24 Sussex Drive?

Mr. Speaker: Order, please. As the hon. member may know, he probably does not have a valid point of order; and even if he does, it does not permit him to ask questions beyond the question period.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GOVERNMENT SPENDING—IMPLEMENTATION OF WILSON REPORT

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

That in the view of this House, the government should set an example to other Canadians by forthwith indicating the nature and extent of the restraints on government spending and should also introduce without further delay measures to implement the Wilson report on the office of the Auditor General as an indication of its willingness to eliminate waste and extravagance.

He said: Madam Speaker, in this motion put forward by my party today we are asking the government to set an example for Canadians in the matter of restraints. The government should also take specific action in relation to the office of the Auditor General. During most of my remarks I intend to deal with the restraint aspect of the motion, under two headings. Others will deal specifically with the office of the Auditor General and recommendations will be made in that regard.

● (1510)

As I say, it is of great importance to the country that the government itself set an example to the people, in two ways. First, there must be real restraint. Here there is no room for new tricks with mirrors, or old juggling acts. Second, the public must perceive that the government has changed its own style of living, really believes in modesty of operation and is committed to it as a long-term way of life. So far, in the flurry and confusion of the first 17 days of the new renaissance, I have not seen examples of the government's determination to proceed on either of those

necessary courses, let alone on both. The government seems to be in the middle of the ocean and trying to build a boat at the same time. It seems to be so preoccupied with its dilemma that it has not got around to charting any evident course.

Speaking on my first point, that of the government setting an example by real restraint, let me make it clear at the outset that I am not simply talking about amounts being spent. Much of the problem created by the government results from the way in which money is spent. I think this area is a prime target if any attempt at restraint is intended to be meaningful. The government, clearly, has a record—and therefore a reputation—of getting little bang for the taxpayers' buck. Money somehow gets thrown around inefficiently and ineffectively. This is very evident in relation to DREE programs. This fact has always caused me a great deal of concern.

Mr. Chrétien: Tell us where you would make cuts.

Mr. Stanfield: Madam Speaker, if the minister will bear with me, we shall try to set him straight.

Mr. Chrétien: I want to set the tone of the debate.

Mr. Stanfield: The minister says he wants to set the tone.

Mr. Chrétien: Tell us where you would make cuts.

Mr. Stanfield: I want to talk for a moment about DREE, as large-scale funds are devoted to DREE programs. In all the years this government has tried to tackle the problem of regional disparity, it has never given us any coherent or consistent plan. There has not been any coherent plan within DREE itself. For example, DREE programs have not been co-ordinated with transportation policies. Frequently, one or several ministries of government do things which run counter to the purposes of DREE. That this is so is evident from the fiscal and monetary policies and programs this government has adopted from time to time.

I have always been concerned that the lack of effectiveness of DREE expenditures would weaken the willingness of those in the more prosperous parts of the country to continue supporting the high level of contributions being made to this kind of program. I became very concerned a few years ago when a minister formerly in charge of DREE said in the House that DREE could be defended as successful because the gap between the maritimes and Ontario had been narrowed—narrowed because the maritimes were still as they had been, in absolute terms, but the economy of Ontario had been depressed by the federal government's economic slowdown of 1969 and 1970.

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not want to see the fight against regional disparity lessened one whit, but I do not want to see things go on as stupidly as they have. Particularly, I do not want to hear again any defence of DREE similar to defences made in the past. I believe we can put up a much better fight against regional disparity and get far better results from the proportion of the national pie we have devoted to programs like those of DREE. I want to see some examples of that, Madam Speaker, as I know it can be done. With regard to the impact of government activities, the white paper stated:

> The government will ask each of its departments or agencies to assess the probable impact of their policies and programs on both short-term and long-term price trends.

It went on to say:

> The government intends to reassess the costs to the private sector of many government rules and regulations in the context of their benefits to society at large.

On reading those statements, I must say that at first glance I was struck by the fact that the government was again handing out my cigars. In the 1974 campaign, the Progressive Conservative party, as part of our economic stabilization program, said that in government it would subject all programs to an inflation impact test. We also said we wanted to cut away a good deal of bureaucratic underbrush because realities required nothing less. While I am encouraged to see these words in the white paper, I am not at all sure that these promises are serious. I have good reason for doubt. This government, for example, still refuses—I want the President of the Treasury Board (Mr. Chrétien) to listen carefully—to submit the unemployment insurance program to any kind of independent inquiry.

Mr. Chrétien: We have submitted it to the House.

Mr. Stanfield: The minister says that the matter was submitted to the House. The government knows full well that the legislation presently before the House does not address itself in any fundamental way to the concerns about this program in terms of cost and productivity in the economy. I ask the President of the Treasury Board why a program which parliament was told would cost $20 per capita annually for unemployment insurance, when unemployment was assumed to be at 6.5 per cent per annum, a few short years later costs $200 per capita annually.

Mr. Baldwin: Shocking!

Mr. Stanfield: Why have we gone, in a few short years, from a cost figure of $20 per capita to one of $200 per capita, a figure ten times greater? That question, I think, must be answered. An independent inquiry is obviously the most honest and satisfactory way of getting an answer. We put forward proposals which would have resulted in significant economies, but these are no substitute for an independent inquiry and will not tell us why a program we were told would cost Canadians $20 per capita is now costing $200 per capita.

I want to make it clear that when I talk about an inquiry, I have no intention of implying a witch-hunt or simply a crackdown on abuses. Some administrative tightening up has already taken place, but more can be done along those lines. Leaving aside administration and control of abuses, I want to see an inquiry into unemployment insurance programs which will really get to the roots of the program and come up with concrete answers to a number of basic questions. One is, why is the program costing Canadians $200 per capita per annum when we had been assured that it would cost about $20 per capita? We have been seeking such an inquiry for more than two years. If the inquiry had been started when we wanted it, it would have been completed by now.

Mr. Baker (Grenville-Carleton): And the government would not be in office.

Mr. Stanfield: We are talking in terms of billions of dollars. Think of the pressure put on the individual working Canadian by rising prices, unemployment insurance payments and taxes of all sorts. When the government puts a control program before the Canadian people, asking them to accept certain restraints with regard to remuneration, wages and salaries, I have to ask whether the government is prepared to commit itself not to take more of the people's incomes through such period of restraint.

● (1520)

We see the weasel statement in the white paper in which the government says it recognizes the importance of having its expenditures follow the same trend as the gross national product—a statement that does not mean anything at all. When the Canadian people are being asked to adopt a program of restraint for a period of perhaps three, four or more years, they are entitled to some pretty firm statements from the government as to how restrained it is prepared to be in putting its hands into their pockets to take away even more of their restricted earnings. You have to think of the sacrifice being asked of the individual arising out of the policy the government has announced. How can so much be asked, on the one hand, and so little answered on the other?

Some hon. Members: Hear, hear!

Mr. Stanfield: That is no recipe for stimulating co-operation and support for the program. It is a recipe for inciting resistance, exactly the opposite of what is required. The only example of any substantial or significant effort by the government to impose restraint is in connection with the health care program, where the government has decided, unilaterally,to place a ceiling on its expenditures, passing the buck to the provinces rather than making any real effort to achieve control within the program. It is a unilateral solution being imposed upon the provinces.

On the matter of creating public perception that restraint is a sincere intention of the government, the going will be very tough. Anyone with a vivid memory of Liberal television advertising during the 1974 election campaign might be inclined to say that the ghosts of all those gassed chickens have come home to roost.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister (Mr. Trudeau) now tosses out phrases like "living beyond our means" as he lectures, threatens and exhorts his way around the country. That is interesting. It is most interesting that he neglects to mention that before his administration took office, Canadians generally relied on the federal government to tell them what were their means. The Prime Minister talks about people demanding services from government, and in the same breath he talks about leadership. In 1974 he made $4 billion to $5 billion worth of promises, all the while talking about leadership. In 1972 he talked about goodies and candy.

His government has changed the whole nature of responsibility in administering the means of Canadians. It has betrayed the essence of federal economic leadership: it has almost made the word itself meaningless. What the government is doing now is not providing leadership; it is purely and simply a case of reaction in desperation. Whether the desperation was more keenly felt about the nation's economy, or about some vote that might take place at a Liberal convention, I do not know.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is an example of how little stock I am prepared to put in the sincerity of their actions. What are these means within which we should be prepared to live? The government will not even tell the House and the country the current state of the country's deficit. I say it will not tell us because I am not prepared to believe that it cannot tell us. When I was involved in provincial government I had nowhere near the sophisticated apparatus available to me that this government has, but I always had a ballpark fix on what the years' financial results were going to be. Therefore, no one opposite can pretend they do not know the latest forecast of the budget deficit.

How is anyone going to trust a government which, in today's circumstances, will not tell us how far it is extended beyond its own means but says, "You must learn to live within your means", when its means are only provided through our means in the first place? There are reports that the deficit for the current fiscal year will be $7 billion or more. We cannot get any response from the minister. There are also reports, which seem to be well founded, that the deficit for the next fiscal year will be substantially larger than that.

People living in New York city at least know what they are up against. At this moment, Canadians are not even being given a clue. They are threatened by the government. They are told to live within their means or court being subjected to a further terrible economic thumbscrew. They are told this by a government which takes their tax money today and says it will given an accounting later, a government that asks them to adopt a program today and says they will tell the story later. This attitude, in itself, makes a farce of the Prime Minister's admonitions about changing attitudes. The Prime Minister gives the impression that it really does not matter much to him whether he has a government in a permissive society or an authoritarian society. Whatever became of the just society seems to be just an academic question today.

This perception has to be changed and it will only be changed by changing the reality of the situation. The government has finally admitted that the problem of inflationary expectations in Canada is self-feeding. It has finally abandoned the myth that our problem is largely international and, therefore, beyond our control. Having taken that giant step into reality, after two years of denying the evidence and the indicators, it has to go all the way if it wants to be believed. The truth extended only up to a point just will not do. The whole truth, and nothing but the truth, must be added as requirements for credibility. These people have said so many things which have devalued the currency of their credibility that they cannot afford to be less than frank today. There certainly must be no restraint on the truth.

Government Spending

When the Prime Minister talks about the revolution of rising expectations he should, with equal candour, be prepared to talk about the revolution of diminishing credibility which his party and his administration have brought about in relation to parliament, to government and to the process of politics generally. The reversals, U-turns and flip-flops which have been exhibited to Canadians by the present government are beyond redemption through the art of alibi. This is what the Minister of Finance (Mr. Macdonald) said in his Rosedale victory celebration on July 8, 1974:

● (1530)

Leadership was the issue in this election... Inflation was a great concern but this was not a vote for or against inflation. Everybody's against inflation. It was a vote against direct controls. The voters rejected wage controls and the notion that government spending was responsible for inflation at this time, which I have to regard as a sensible judgement.

I suppose the Minister of Finance believed in what he said at that time. I don't know what he believes in today. Along with the Prime Minister and the other ministers of the government, he is trying to tell us that times have changed: yesterday's white is today's black; yesterday's thorn is today a rose. They spent years of their careers in the cabinet accusing my party and myself of being prophets of doom and gloom. Madam Speaker, it is now clear that we were not false prophets. The false prophets were those with positions of leadership within the government and within the Liberal party.

Some hon. Members: Hear, hear!

Mr. Stanfield: They should have known better and they should have behaved better. But they chose the primrose path. They chose expediency over responsibility. They chose excess instead of sufficiency as a hallmark of their trappings of office. I get the feeling that many of them are numbed, now, by the realization of where this has led the country and the mood of the country. But shock by itself is not repentance, and retrenchment is not restraint. They talk about changing attitudes in the country. Let them confess who made a major contribution to breeding those attitudes they now want to change. Sackcloth has no credibility in its own right; and it certainly has no meaning at all when it cloaks a creature with a forked tongue.

Let somebody in the government have the courage to say that its laissez-faire approach to spending money on frills and peacockery was a mistake. Office renovations alone have put the government in a position where the public knows that many ministers and officials are going to tough out this war on inflation in pretty sumptuous bunkers.

Some hon. Members: Hear, hear!

Mr. Stanfield: Those who are on the firing line, those who are urged to accept restraints which are not very pleasant to bear, are not going to be impressed by chocolate soldiers. Everywhere a Canadian looks, he sees things like the lavish reception at Mirabel. There are those on the other side who will say these things do not really mean very much, that they represent only a very small fraction of total government expenditure. Mr. Speaker, it is exactly that kind of thinking which is ruining the government's credibility and makes it appear unworthy of trust. Unhappily, it is the kind of thinking which appears to prevail among members of the government today.

[Mr. Stanfield.]

In closing, I say there are great areas of government expenditure which need looking into. I mention the unemployment insurance fund particularly, where costs are now running at $200 per capita instead of $20 per capita as they were supposed to be. In many respects, the signs of lavishness are perhaps more important, in terms of the public acceptance of restraint, than reasonable expenditures on larger programs. With so many examples of government spending on luxuries rather than on good, plain fare, how can hon. gentlemen opposite seriously expect the public to accept restraint? How can the government seriously expect the public to take it seriously?

Some hon. Members: Hear, hear!

Hon. Jean Chrétien (President of the Treasury Board): Madam Speaker, it is Thursday today, yet as I listened to that demonical sermon by the Leader of the Opposition (Mr. Stanfield) I had the feeling it must be Sunday. It is difficult for me to get up and defend the government—

Some hon. Members: Hear, hear!

Mr. Chrétien: —at this point because yesterday, when I was replying to a question, the same man who was talking about the virtue of not spending shouted across the floor to me, calling me Scrooge because I was not spending enough.

Mr. Stanfield: No.

Mr. Chrétien: When I hear these sanctimonious sermons in the House I am simply amazed. The other day we sat here minute after minute waiting to hear their proposals for reducing expenditure. All we heard was a lot of hot air. The hon. gentleman mentioned the reception at Mirabel. Let me remind him that we are dealing with a budget of $34 billion. Perhaps we did spend a little too much on the opening of Mirabel.

What else has been referred to? The only other matter concerned unemployment insurance. Well, there was a debate on this very subject in the House yesterday. At the end of that debate the bill will be sent to committee for full examination. Yet the opposition is still asking for an inquiry. Madam Speaker, if members of the opposition have an accusation to make, let them get up in the House and make it. Let them go before the committee and show where money is being wasted on the government's unemployment insurance program. It is useless simply to make general statements of the kind they are making.

The other day in the House the hon. member for Joliette (Mr. La Salle) asked me to put more money into the LIP program. A little later he made the same request of the Minister of Manpower and Immigration (Mr. Andras). Within half an hour the hon. member for Athabasca (Mr. Yewchuk) got up and said we should cut the LIP program. I suggest hon. members opposite should get together in caucus before making statements like that in the House. Today they are asking us to reduce expenditures. Look at *Hansard*. The hon. member for Vegreville (Mr. Mazankowski) was on his feet on October 21 asking the government to spend more money on the cow-calf operation.

Mr. Mazankowski: Simply because your own minister said he would do it.

Mr. Chrétien: He called for more money for that operation. Then on the same day, October 21, the hon. member for Joliette asked for more money for the LIP program.

● (1540)

Mr. La Salle: Dépensez l'argent à la bonne place.

Mr. Chrétien: Don't try and say things out of both sides of your mouth. According to the speech of the Leader of the Opposition, we are spending too much. I do not say that; I am quoting the official opposition. I do not know whether he is wrong or right. I am trying to illustrate the unity of this party on major policy. In the first allotted day that they have in this House, the opposition members are asking us to cut expenditures.

Mr. Mazankowski: Tell us about Mirabel and the 20,000 bucks spent on booze.

Mr. Chrétien: The hon. member for Parry Sound-Muskoka (Mr. Darling) wanted the government to extend the French program for a longer period. I do not say he is wrong, but he should have talked to his leader before his leader made his speech. The hon. member for Provencher (Mr. Epp)—I do not know which party he belongs to—wants us to put more money into research programs for agriculture. That would not be cutting expenditure.

As for the party at Mirabel, another nice gentleman got up on his feet the other day and talked about that. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) suggested an amendment to increase expenditure in the fisheries department to cover fishermen. I do not say he is right or wrong; I am just telling him to ask his leader what he thinks about that before asking the question. I have with me a pile of questions which are asked in this House by hon. members opposite every day. The Leader of the Opposition wanted an inquiry into the unemployment insurance program. He should go to the committee and ask that question.

Mr. Forrestall: Go to the committee? Be credible.

Mr. Chrétien: When we did not have a committee, hon. members were complaining because we did not provide them with the information on which to ask questions. The officials are there, and hon. members can have the director of the program there to answer questions.

Mr. Woolliams: I have never heard such nonsense in my life.

Mr. Chrétien: You are referring to the speech that your leader made a few minutes ago, are you?

The Acting Speaker (Mrs. Morin): Order. I must remind hon. members at this time that they are supposed to address the Chair, not each other across the aisle.

Mr. Yewchuk: Say something positive.

Mr. Chrétien: The Leader of the Opposition made a general accusation today. I expected him to be precise. He said he was not asking the government to cut the DREE program, but he was asking that it be made more efficient. There is, of course, room for more efficiency in many areas; I do not deny that. But he did not suggest that we cut one cent from the program. Out of the $34 billion budget of the government, not one item was identified by the Leader of the Opposition apart from the party that was held at Mirabel two weeks ago, which I could not attend anyway, so I did not benefit from it. Hon. members should be more precise. In the budget last June—

Mr. Fairweather: Whose budget was that, and where is he?

Mr. Chrétien: The hon. gentleman was here a minute ago.

Mr. Baldwin: Now you see him, now you don't.

Mr. Chrétien: We have proposed a series of cuts amounting to $967 million.

Mr. Baldwin: Nonsense.

Mr. Chrétien: It is not nonsense. I can go through each department that has had to make cuts. I have received representations from members on the other side of the House asking me to make more money available for the small craft harbours program. Some members of the opposition asked me not to cut that program. We have made cuts in agriculture and in communications. If hon. members have not read this list that has been published, I could table it. It would take me five minutes to read it. They make statements dealing in generalities, without being specific on anything. They do not have the guts to be specific.

The hon. member for Winnipeg North Centre (Mr. Knowles) claims I am not spending enough and neither is the government. He is not asking us to make cuts. I do not like to hear the official opposition asking us today to cut expenditure, when in every question period that we have one of them gets up and asks us to spend a little more money here and a little more money there. They should be logical. As I say, we have cut $967 million from the budget brought down in June.

Mr. Crouse: Be honest.

Mr. Chrétien: That is the fact. I will table the list, if you have not read it; but hon. members opposite do not want it printed in *Hansard*. I can read all five pages of it, if you want me to do so.

Mr. MacEachen: Read it through, Jean.

Mr. Chrétien: These are the expenditure reductions. Department of Agriculture, Canadian Dairy Commission, $14 million; multipurpose exhibition facilities, $2.5 million; Farm Credit Corporation, $20 million; Department of Communications, professional and special services, $200,000; Canadian Overseas Telecommunication Corporation, $2.9 million; Department of Energy, Mines and Resources, energy, research and development—

Mr. Forrestall: Come on, say something.

Mr. Chrétien: I have 120, lines to go through, and I have only dealt with five.

Mr. Fairweather: That is all faked, and you know it.

Mr. Chrétien: No, it is not. This is money that the department were going to spend but which we have now cut, so it is not faked.

Mr. Fairweather: That is part of your problem, credibility.

Mr. Chrétien: In 1973-74 and 1974-75 the increase in the civil service was, on average, 6 per cent to 7 per cent a year. In the blue book that I have tabled for this fiscal year I stated it would be reduced to 4.1 per cent. In the budget of the previous minister of finance he and I proposed to reduce it further, by 1 per cent to 3.1 per cent. In the program for next year we see the growth of the public service as 1.5 per cent over this year. Every department is affected. Hon. members should visit Treasury Board where every week departments are asking us for more money and more man-years.

Mr. Forrestall: How big will the deficit be?

Mr. Chrétien: When I tabled the estimates in January, I said that the increase in expenditure this year compared with the previous year would be less than 16 per cent. Many members on the other side said that in light of the history of the government, that was not possible. I am telling them today that not only will it be less than 16 per cent, but it will be less than 15 per cent next year. I have a list of all these government expenditures. In the budget, the previous minister of finance said that the cash requirements of the government would be around $35 billion, if I recall the figure correctly. That total remains unchanged. If the Minister of Finance (Mr. Macdonald) has some fresh announcement to make, then he will make it; but we are still sticking by the budget predictions of July.

The government is proposing $32.2 billion of expenditure. Legislation passed by this House of Commons accounts for 56 per cent of that total. Who is proposing that we do not pay old age security? Who is proposing that we do not pay the interest on the public debt? Who is proposing that we do not pay the provinces the fiscal transfer payments that the legislation of this House has guaranteed them? Who is proposing in this House that we do not pay family allowances? All these programs were voted for in this House; hon. members on all sides voted for them.

● (1550)

An hon. Member: Who proposes to cut out medicare?

Mr. Chrétien: Who proposes that this year we do not pay for hospital care? Who proposes that we do not pay unemployment insurance benefits? Who are those that propose we do not meet our medicare obligations?

An hon. Member: You are.

Mr. Chrétien: Who are those that do not agree we should pay Canada Assistance Plan benefits, post-secondary education assistance, military pensions, railway subsidies for the maintenance of branch lines, and so on? Who is proposing that we cut all these? I would like those members to get up and say that these programs are the ones that are no damned good and we should cut them. In his speech, the Leader of the Opposition did not propose one thing that we should cut from the budget of $32 billion. The list I have just enumerated represents 56 per cent of the budget of the government.

We have certain contractual payments. Who is proposing that we do not pay for Manpower training programs in this land? Who does not want us to keep on paying $252 million for sewage treatment plants and public housing projects under CMHC? Who is proposing that we do not make fiscal transfer payments to the Yukon and the Northwest Territories? By the way, I am glad to see that the hon. member for Yukon (Mr. Nielsen) is back in the House. We were right in appointing a Liberal senator in order to bring him back to Ottawa, as we have not seen him for a long time. Who is proposing that we not pay public service employee fringe benefits to the extent of $95 million? Who is proposing that we cut legal aid grants to the provinces? This is another contractual payment. I would like hon. members to tell us which of these programs we should cut. Hon. members on the other side are silent. Get up and tell me which ones you want us to cut.

Mr. Howie: I don't want you to cut any of them, but isn't your minister of health trying to cut back on medicare?

Mr. Chrétien: No, I am talking about this fiscal year. Hon. members do not want to say. Let us go to another area.

Mr. Crouse: Madam Speaker, I rise on a point of order. I must challenge the statement the minister has just made. Only last Thursday in this House, when speaking on Bill C-73—

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

Mr. Crouse: If the hon. member over there will keep quiet for a moment I will explain the point of order. If he will be as patient with me as I am with him, I will outline the point. It is simply this: the minister has said that no one from this side of the House has at any time offered any suggestion in respect of cuts that would be reasonable and would not affect the lifestyle of Canadians. Last Thursday, when speaking on Bill C-73, as recorded at page 8491 of *Hansard* I made concrete suggestions in this House which would cut at least $500 million from the present budget. The minister has made no comment in respect of those suggestions. I ask him now if he will sincerely consider those proposals and, hopefully, take advantage of some of them.

The Acting Speaker (Mrs. Morin): Order, please. This is clearly a matter of debate and not a point of order. The hon. member may wish to participate later in the debate.

Mr. Chrétien: In reply to the hon. member, what he is referring to is the consultants' fees referred to in the book published by my department. He suggested the amount involved was $1 billion, but when I got to my feet I explained to him that there was an amount of $486 million included in that to cover Manpower training programs. I would ask hon. members whether we should cut that. I

have indicated, in respect of professional consultants being hired by the government, that I ordered a reduction this year of 10 per cent over what was predicted; and we have accomplished that.

Mr. Crouse: Those are not the recommendations I made to you, sir.

Mr. Chrétien: The hon. member asked me about consultants' fees and I said that, included in that item, were the Manpower training transfer payments to the provinces.

An hon. Member: You are not listening.

Mr. Chrétien: What about the payments made in respect of veterans' allowances amounting to $516 million? What about CIDA grants in the amount of $481 million? What about municipal grants in lieu of taxes, amounting to $76 million? What about grants to international organizations, in the amount of $36 million? We have to meet those contractual obligations, and no one is suggesting to us that we should not. I could carry on and on. For example, we are spending 8 per cent of the total budget of the government for national defence. I see the hon. member for Victoria (Mr. McKinnon) in his seat. I would like him to tell me if he would want us to cut the defence budget even more. He is the official critic of the opposition with respect to national defence. Should we cut the $2.432 billion we are spending for national defence?

Mr. McKinnon: Madam Speaker, the minister has asked me a question and I should like to answer.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member will have an opportunity to participate when the minister has resumed his seat.

Mr. McKinnon: He has asked me a question, Madam Speaker.

Mr. Chrétien: I hope I will hear that the hon. member wants us to cut that expenditure.

Mr. McKinnon: You could cut out the $11 million the department has paid two American companies for a study it does not intend to use.

An hon. Member: That is $11 million; think about it.

Mr. Chrétien: It is $11 million of a budget of $2.432 billion.

An hon. Member: What's $11 million?

Mr. Chrétien: I do not know about this case; I will investigate it. But the hon. member knows that is not hurting the real expenditures for national defence. This is the background on which we are working.

I would like hon. members to be precise about these so-called cuts to programs. They should stop speaking from both sides of their mouths. If they want us to make cuts, they should advise us where we should make them. We have to meet the budget. We get the funds, and we will defend our expenditures. I do not like this business of members of the official opposition and other opposition members asking for more money, then the Leader of the Opposition asking us to cut expenditures, when the only precise thing he can refer to is the opening of the Mirabel airport at Montreal.

An hon. Member: You have just heard two examples from two members.

Mr. Chrétien: Hon. members are talking pure nonsense. I would like them to be precise about these cuts, because people expect a better effort on the part of opposition members; they expect them to be more precise and to suggest more concrete things. At least the hon. member for Winnipeg South Centre (Mr. McKenzie) makes no bones about it; he wants us to put everything under government control, without any more room for private enterprise in the market place. That is his position. I do not agree with him, but at least he stands by his words and is not speaking from both sides of his mouth.

Mr. McKenzie: I rise on a point of order, Madam Speaker. I never made any such statement. The minister referred to the hon. member for Winnipeg South Centre.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is not in his seat.

Mr. Chrétien: I am terriby sorry. I am sure you do not want to be referred to as that hon. member and I am sure he does not want to be referred to as you. I apologize.

Mr. Woolliams: I have to agree with that statement.

Mr. Chrétien: I will make sure I do not refer to the hon. member for the other riding in Winnipeg. Madam Speaker, I should like to speak for a few minutes on the other aspect of the resolution. The Leader of the Opposition did not mention anything about it; he suggested that other members would refer to the Wilson commission. We received the report from that commission a few months ago. I am glad to report that we are on the verge of a final decision by cabinet in that regard. Some 95 per cent of the recommendations are absolutely acceptable to me and are likely to be acceptable to my colleagues in the cabinet. A final decision of the cabinet will be made within a few weeks. Following that, a bill will be drafted by the Department of Justice. The commission has worked very effectively in this area for many months and has made all sorts of very far reaching recommendations which have to be analysed by the government. These recommendations were presented to the House of Commons in the month of May.

Mr. Baldwin: In April, if not in March. You got them in March and we got them in April.

Mr. Chrétien: I do not have the precise date, but I will try to find it. It was quite late in the session. Both you and I are wrong on the date; it was actually April 14. The legislation will be available as soon as possible. I have had occasion to discuss some aspects of this report with the Auditor General and I am quite confident that when the whole process is completed the Auditor General will be satisfied with the bill I will introduce in this House. I said, when this report was tabled in April, that I hoped the government would be able to make up its mind before the end of the year. I am satisfied the government will have made a final decision by the end of the year and that long

before that the bill will be ready for the House to study and make changes as need be.

● (1600)

Madam Speaker, I just want to reiterate the position of the government on expenditures. This year we have already cut $967 million in expenditures from the budget. These had been approved by the cabinet. The government has done this in order to make a contribution to the restraint program. We said, also, that for next year we will reduce to only 1.5 per cent the increase in the number of public servants to be hired by the government. We said that many of the other expenditures will be controlled. We said, for instance, that there will be no buying of new furniture for public servants next year and that there will be no buying of new automobiles. We also mentioned that there will be no first-class travel for public servants, and so on.

In response to the request of the Leader of the Opposition, these are some of the things we are doing. We are doing our utmost to make cuts. I wish the Leader of the Opposition would not pick out a single item such as one of the biggest airports in the world. I am disappointed that the Leader of the Opposition did not give us some very concrete suggestions about where cuts should be brought about, rather than referring to a point like that.

[*Translation*]

Under these circumstances, Madam Speaker, it is quite easy to make a speech such as this. I thought the leader of the opposition would be a lot more specific and his colleagues would enlighten us about the truly outstanding areas where we might have set the example. At no time, however, have they come up with concrete propositions.

Perhaps it would be indicated for me at this time to recommend to the leader of the opposition to start having discussions with his rank and file, so that I may not have to note every day: some opposition members rose to ask the government for additional expenses. If they want us to spend more, let them say so, but let them refrain rising every other week to ask us to cut out government spending. There is not one day, Madam Speaker, where members of the opposition which I have begun to name, do not stand up to ask the government to spend considerable sums of money for projects that are important to them. I do not blame them for it; it is normal. But when they do so, they must bear in mind the implications of their demands. If we accept them, the government will have to increase its spending. If a member asks one day that the government increase its expenditures, he must not—if he is consistent—stand up the next day to ask to reduce them. Members should make up their minds. Then we could listen to them. But as long as they will keep putting such inconsistent requests, it will be difficult to do so. That is why, Madam Speaker, the Canadian people are not so eager to put them in power.

[*English*]

Mr. Stanfield: I rise on a point of order, Madam Speaker, simply with regard to the minister's reference to my calling him a Scrooge. The minister disappointed me in this respect. I often criticize him, but I have always found him to be straightforward. He knows perfectly well that my reference to him as a Scrooge is a bit of a joke between us, and, I am a little disappointed that he should try to convert that into a public argument.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, I enjoyed most of the rhetorical outburst of the minister in his castigation of the official opposition for not presenting in detail any proposed budget cuts. If I listened accurately—I certainly listened with care—that was the gist of his speech. He made two points. I am sure he will correct me if I am wrong. One was that the official opposition did not document in any specific way its own general claim that there should be cutbacks. I am in agreement with that. In addition, he went on to suggest in some specific way what the government is doing. I shall deal, in the main body of my comments, with precisely what the government is and is not doing. He referred to the kind of cutbacks the government made in its last budget. In the course of my comments I will deal with parts of that budget and, specifically, the cutbacks in the medicare and hospitalization programs. I should like to hear the minister defend his position in this respect.

The second point is this. At no time since the recess, and nowhere in the white paper, has the government indicated it wants to cut back any specific program other than those mentioned last spring. My understanding is that proposals came forward to the minister from the Department of Finance—they subsequently went to the cabinet—concerning specific cutbacks in departments and areas. There was a suggestion that some things were not needed and they should be scrapped or modified. The fact is that the government has not announced, since we resumed this sitting this fall, any cutbacks in any programs. I think the minister will agree that, factually, this is the case.

In case the minister might turn to me and levy the same charge that he did to the Leader of the Opposition (Mr. Stanfield), I will make specific points about the kind of cuts we think should be made in government expenditures. In doing so, I say that we do not share the view that over-all cutbacks in the government sector alone are necessary in terms of dealing with the economy. However, there is no doubt that certain specific programs should be either entirely cut out or substantially reduced.

What are some of the things the New Democratic Party suggest? First of all, we oppose the hundreds of millions of dollars now being spent annually in consultants' fees for studies done by private individuals outside the government. It is almost impossible for an opposition party to see the internal operations of a department. However, I have no doubt that if the government were tough-minded about it, hundreds of millions of dollars could be saved partly, but not exclusively, by the Department of Urban Affairs. In some cases the work that is being done could be performed by public servants already on the payroll. We contend further efforts should be made to reduce the amount of money spent on outside consultants.

An hon. Member: Mr. Blakeney could use that advice.

Mr. Broadbent: He not only uses it; he follows it. He has taken steps to do just that. The second point is that government outlay in respect of the salaries of senior civil

servants is wrong, in two respects: first, in terms of dollars spent and, second, in that it increases the gap between upper income and low income Canadians. This is bad in terms of fairness with relation to income distribution in Canada. In terms of net outlay, the minister would say that does not involve many millions of dollars and therefore does not directly—

● (1610)

Mr. Chrétien: Oh, come on.

Mr. Broadbent: Never mind; I am dealing with the federal government.

Mr. Chrétien: Oh, come on.

Mr. Broadbent: I took the argument of the minister seriously. I hope he takes mine seriously and does not go off at a tangent. I do not have to agree with everything our provincial governments do, nor do I expect the minister to do so, especially having regard to what provincial Liberal governments do.

Let us deal with the federal government. Apart from the unfairness of increasing the salaries of senior civil servants in the $50,000 and $60,000 range, which is bad in terms of distribution of income in Canada and its inflationary effect, it is much more serious because it sets the pattern for the whole economy. I am sure the minister is aware of that argument. In terms of its impact on the economy, it has been much more serious and negative than the inherent unfairness of giving an increasing amount of our total income to an increasingly smaller proportion of our population. It has a major inflationary effect on the private sector and provincial governments which have to increase the salaries of the top 10 per cent of their employees. For that, this government must be held responsible. We have opposed these vast increases for senior civil servants in terms of justice and in terms of the multiplier effect on the economy as a whole.

Third, we are, and have been, highly critical of what we have described as the alphabet soup type of programs designed to provide assistance to industry. The New Democratic Party, independent economists and, indeed, some of the commissions appointed by the government to conduct studies, have pointed out that approximately $250 million per year spent on programs such as DIP, IRDIA, PAIT, and so on, is money down the drain. If all of them were scrapped, it would have a positive effect on employment because there would be a more rational allocation of resources. We would scrap all those programs. We have provided a list before, and I would be glad to add to the few I have just mentioned for the benefit of the minister.

Mr. Chrétien: Schreyer asks us for more money.

Mr. Broadbent: That is another point. If we were to talk about the need for national planning of the whole economy, the problems of Mr. Schreyer might be seen in a different context. However, I would like the minister to stay within the context of federal politics.

Some hon. Members: Oh, oh!

Government Spending

Mr. Broadbent: The fourth point I should like to make is that the millions of dollars the federal government has virtually given to the oil industry and the Syncrude project, both directly and by way of tax concessions, is not the kind of error, both in terms of spending and in terms of national economic independence, in which the New Democratic Party would have indulged.

Fifth, we would scrap entirely Information Canada, an agency we think is without justification. It duplicates the information services performed by information officers in virtually every government department. We would scrap that agency and save the taxpayers some money.

Sixth, both in the House and outside we have criticized the $250 million, approximately, which the federal government has poured into the aircraft industry in Montreal and Toronto in recent years.

Mr. Chrétien: And Winnipeg.

Mr. Broadbent: The minister adds Winnipeg, and I agree. This money has been spent without producing a plan for rationalizing the aircraft industry in Canada. The government will probably embark upon a major blunder in the next few weeks by making a decision to produce fighter aircraft which will have absolutely nothing to do with a national plan developed for the aircraft industry. That $250 million has gone down the drain.

In short, we in this party are in favour of cutbacks in certain areas of government spending and, as I am doing now, we have in the past attempted in the House to suggest some examples. The minister did not deal with this issue in terms of the Canadian economy and I think it has been wrongly argued by the Conservatives, though I understand their argument. The real issue is not more, or less, government spending; it seems to me that the real issue we must face in a mixed economy is not government spending versus private spending, but where spending is going on in the economy, and with what net economic consequences.

To put money into shopping centres and into a whole range of private investment at a time of inflation is no more, or less, inflationary than government spending. So the whole issue of the control of spending, management and planning of spending in the economy is at stake here. It is a wrongly perceived view held by the Conservatives simply to concentrate on government spending; and, if I may say so, it is a wrong-headed defence by the government to reply to the general argument of the Conservatives without dealing with the much more serious and fundamental question of spending within the whole economy. What must be analysed and what we need from the government is a comprehensive approach to the spending of funds both in the private and public sector, and that is not what we have received from the government.

I come now to the statement of the minister about government spending. He says, with some pride, that in the white paper it says there is a ceiling being imposed across the board for next year in respect of federal government spending, although not on a selective basis. We reject that approach. We think it is wrong-headed because it cuts out or reduces good government programs, some of which should be extended instead of reduced or levelled out. It does not deal with the possibility of the need for total elimination of certain other programs. In other

words, it is a cop-out. The minister accused the official opposition of not being specific in proposing programs. I now turn the argument back to the minister and say that his own approach for next year which sets a general level of cutback in terms of government spending is itself a cop-out which treats good government programs in the same way that it treats bad ones. In the opinion of the New Democratic Party, that is irresponsible.

If I read the message correctly, it means that programs with regard to health and welfare, family allowances, pensions, unemployment insurance, transfer payments and all spending in which the government is involved, will be affected. Those areas which I have just mentioned should not be included in the general cutback. In our view, the government is irresponsible in taking the position that for the coming year there has to be a general cutback.

Let me now deal with two specific areas in which the government indicated in its budget of last spring and in debates inside and outside the House so far this fall that it will cut back. I refer to hospitalization and medicare. We disagree with this. The government has told the provinces that specific ceilings will be set on the financing of medicare, and in the case of hospitalization it plans to phase out its contribution entirely. I cannot think of a worse approach to dealing with inflation than to take it out on the health of Canadians. That is the way I read that message. The government is indicating that it will cut back on medicare, and surely everyone in Canada would regard this as an essential human service. In an affluent society such as ours, to effect a cutback in an area of profound human need such as hospital and medical care is not only wrong in principle but is also false economy in many respects. Let me say what I mean by that. In some instances, increased expenditure in the medical field could lead to a long-range reduction in costs. It is shortsighted to argue that across the board cuts in medical expenditure will lead to long-range savings.

● (1620)

I give the province of Quebec credit for what it has done in the material field. In one sense it has led the country in the development of community clinics to head off medical problems. Surely from the point of view of costs, not to speak of humanity, that is a much better approach. Money spent on community clinics across the country would have long-range benefits which are obvious. In St. Gabriel de Brandon, for instance a community clinic discovered that children in the town kept getting a certain kind of skin infection or disease. They were "cured" time after time; then the cycle was repeated. Through the community clinic there was an investigation into the cause of the ailment and it was discovered that something in the water in which the children swam was responsible. The water was cleaned up and there was no repetition of the infection on the children in that area; consequently, the demand for medical services was lessened. That kind of community clinic which practises preventive medicine cuts down on long-range expenditure. The whole area of preventive medicine in Canada needs more, not less, money. Surely, when dealing with conditions in factories and mines it makes sense to head-off diseases like asbestosis and cancer. It makes more sense to spend money ahead of time rather than after men and women get the diseases, in many cases when no cure is possible.

Another example of sensible spending comes from the province of Saskatchewan. Instead of money going into elaborate hospitals, it has been found that a high percentage of cases can be adequately provided for in alternative facilities, thereby reducing the cost of treatment up to 200 per cent or 300 per cent, if not more. It makes sense both at the provincial and the federal level for government to spend more money creating alternatives to hospitalization. The long-range effect will be reduction of hospital and medical costs. It seems to me that the moral is obvious: in certain areas such as medicare we need more spending, not less.

Similarly, we need more, not less, government spending on housing. If there ever was a sector that could be singled out where government spending would be deflationary, it is the housing sector now. If the government had the guts to force banks to put up mortgage money at lower rates, and the political commitment to allocate funds to increase the supply of housing, there would be a substantial reduction in the cost of living. Increasing supply and reducing mortgage rates would have a positive effect for those who rent and those who want to buy accommodation.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): The time allotted to the hon. member can only be extended by unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Broadbent: Thank you, Madam Speaker. Increased government spending on housing would provide a human necessity and jobs for many of the more than 700,000 Canadians presently unemployed. It would also have a deflationary effect on the economy. So the moral is more government spending in this sector, not less.

Before I conclude I should like to say that in terms of the over-all approach to the economy, I am apprehensive that the government is on the wrong course in its restrictive income and prices restraint program. Inside and outside this House, the Prime Minister (Mr. Trudeau) has said that we must live within our means; that is the phrase he has used. The fact is that we are not living up to our means. In the manufacturing sector alone we are operating at only about 85 per cent capacity. If the government really wants to come to grips with inflation, what we need is a program designed to stimulate increased production. We have unemployment and slackness in the economy, but that is not the source of the inflation. What we need is stimulation by the government. The government has not brought in any imaginative programs to show leadership in making the economy more productive.

The issue is not simply one of more, or less, government spending; the issue is one of over-all spending in the economy by both the private and the public sector. The government must assume a great deal of responsibility for making decisions in such spending for both the private

and the public sector. Many programs could be cut out, and I have listed them. Other government programs should have increased budgets. But over-all, this government should be concerned about getting rid of the slack in the economy so that we can have virtually full employment. In my view that, more than anything else, would eliminate inflation.

● (1630)

[*Translation*]

Mr. René Matte (Champlain): Madam Speaker, I am very happy to speak to the motion of the Leader of the Opposition (Mr. Stanfield), all the more so that, to my mind, this motion really tests seriously the sincerity of the government with regard to its policy on price and wage freeze. Indeed, from the way the President of the Treasury Board (Mr. Chrétien) replied to the speech of the leader of the opposition, we saw that he had little else to say but to try to deceive the House by refusing to make a distinction between waste and expenditures. The minister seems to assume that the two terms are synonymous. Spending is not necessarily being wasteful. I doubt that the leader of the opposition meant that no hon. member could ask or recommend that the government spend some moneys for the collective good.

Then, once again, I think it is my duty to point out that, if the government were expressing its view through the President of Treasury Board, it was completely beside the track because, Madam Speaker, even if one tried to ignore this squandering, one could not because it is too glaring. It would indeed be silly to deny it, that would mean contradicting the Auditor General himself, whose responsibility it is to keep a watchful eye, to study figures and tell us what is going on in the administrative circles of the country, what expenditures are excessive, which ones are downright wasteful, what were the oversights of the various government departments, and so forth. I do not intend to enumerate here all the facts that one can easily learn simply by reading the Auditor General's report.

Therefore, it is no use for the government to try to defend itself by accusing the opposition of pressing for increased expenditures, thereby hoping to conceal its own extravagance. If the government wishes to be honest and candid, it should tell the House which measures it intends to adopt to put an end to the squandering of public money, when this is the case, for it is very important to distinguish between wastefulness and legitimate expenditures. To cut down on expenses, just for the kick of it, or because it was proclaimed, might turn out to be a remedy worse than the evil, the effects of which might be worse than not interfering at all and letting things go as they are. Hence, the important point in my view is not so much to know what must be reduced and where but rather to ascertain which needs are real, essential and indispensable because we cannot tergiversate on this matter, Mr. Speaker. We cannot cut essential spending.

I think this distinction is absolutely necessary if we are to appraise adequately the value of the administrative policies the government may order. This is why, of course, I support such a motion. Well, it is easy to talk about the importance of government restraints but from the start the government should have told us how it wanted to apply these restraints, where they would be applied instead of sticking to generalities. Of course, I would not support any cut in expenditure relating to essential public needs. On the other hand, we would support cuts in useless spending. And here we would have liked to know how the government really wanted to apply these restraints to prevent the waisting denounced every year when nothing is done to remedy the situation.

A debate like today's shows, Mr. Speaker, how urgent it is to operate the required changes in our political views for, if there is any government spending, it is because the administration of the nation normally requires it. So there is no need to talk about cuts. If we do, it is because we admit that we indulge in wasteful spending. Of course, there is wasteful spending. May I point out one particular sector, which, I think, should cut its spending, that is the Department of National Defence.

I sincerely believe that a country such as ours needs a brave and alert army. I am not against it, it is a must but I think we do not need that much armament. In my opinion, we should have stopped long ago purchasing bombers, shells and all those devices which are never used and if, unfortunately, we ever had to use them, it would be because of a world catastrophy, when everyone here in Canada would be helpless.

Our geographical position between the world's two giants has been frequently mentioned and everyone knows that we will never compete with either the Soviets or the Americans.

● (1640)

Mr. Speaker, I would consider it a reasonable cut to drop from the national defence budget all expenditures relating to armament equipment for which we do not have much need. It is a justifiable cut, in my opinion.

And I should also take this opportunity to point out how a whole series of expenditures made by the government could be avoided if there were not a systematic tendency to set up in this country some sort of socialism without saying so.

Mr. Speaker, we know that when the state interferes in business which could normally be dealt with by individuals themselves, that always cost a lot of money, that is always much more expensive, we understand and we recognize the need for the state to step in where necessary to make up for possible deficiencies in private enterprise, free enterprise or individual themselves. But apart from that the tendency of the government to impose controls where people themselves could exercise them leads to cost increases, and those increases could be avoided and certain cuts made by avoiding that kind of policy.

Of course, as I said at the beginning of my remarks, ill chosen restrictions could be excessively damageable. For example, there can be no haggling over the need to give old people the money they need to meet their essential requirements. There is no question about that. But there are sometimes other kinds of restrictions which by ricochet could tend to increase precisely what we want to reduce, inflation. That is one of the reasons, once again, to justify this motion blaming the government for not having indicated from the start how it intended to restrict its expenditures.

Mr. Speaker, it is always difficult and complicated to try to come out of a situation that has become absolutely dramatic when the actual causes of that situation lie in the very system which generates them. And it is regrettable to see that in that war consumers and the producer will be forced to reduce prices, the worker, the wage earner will be forced to accept less money but we know quite well that it will be complicated and difficult on both sides, and sometimes it could also cost a lot to check those things, to control them, as the benefit that one would want to draw from it. It is not easy, of course, to fight inflation, since I imagine we are intelligent enough to understand that, when one admits that the primary causes which are the cause of all those difficulties are due to a defect in the system itself.

For example, in all that war of price controls, wage controls, restrictions, government cuts, how is it that at no time is there talk about the chief and basic reduction and control of interest rates. There is no mention of that, but how are price increases to be controlled if interest rates are not? How can a firm reduce its costs if it must borrow at astronomical rates? There will be no other way out other than forcing these firms out of business, thereby fanning inflation. It is amazing that they will not tackle that sore. Stepping out to control credit, that is the crux of the matter, and they ignored it. I do not wish to utter evil prophecies, however I must say that everything done now to prevent the current situation from getting worse is useless. I fear they will wait till the very last moment to realize the need to deal with the real problem.

Fighting inflation, practising restraints, all that sounds very nice. If they stopped and took the time to do some real and serious thinking, they would realize that even if we spent nothing, we would still have to live, to eat, to clothe ourselves and sleep somewhere. There are no cuts to be made there. If we need a lot of money to get good food, good clothing, good housing and the minimum of comfort to which we are entitled in a country as rich as ours, if it is only a question of monies, all we have to do is issue ourselves the money needed. We will never repeat that too often.

There lies the true problem, the only way to fight inflation. If we could produce everything we needed through adequate credit, prices would go down. And if prices went down, there would be less reason to fight for higher wages.

This is why I regret this sad situation. With all the goodwill in the world, we know very well that these government restrictions will be to no avail. What does it mean to cut off a few millions here and there!

We should simply arrive at a better administration and avoid the terrible wasteful spending that we witness much too often. If we could today make the government understand the need to find ways to avoid wasteful spending, we could make the policy healthier. But, and I would like to conclude on this note, a few cuts will not solve the problem of inflation. A few cuts in expenditures will not solve the problems which the government will have to face, and it knows it. These problems will only become more serious and more dangerous in a few weeks or a few months because their roots are not being attacked.

I therefore wish that because of this new awareness, the government may, at a given moment, consider the possibility of getting to the roots of the problem of inflation by thinking first of all about reducing the interest rates.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, let me first congratulate the hon. member for Champlain (Mr. Matte) for being the first member of the House since the Leader of the Opposition (Mr. Stanfield) spoke to pick up the nature and the quality of the motion standing in the name of my leader. I pay tribute to his reaction to it. I will in due course deal with the President of the Treasury Board (Mr. Chrétien). The hon. member for Champlain opened his remarks by saying that this motion constitutes a test of the government's intentions. He is quite right. It is a test that so far the President of the Treasury Board has failed dismally to meet.

As for the leader of the New Democratic Party, the hon. member for Oshawa-Whitby (Mr. Broadbent), he as usual gave us the characteristic, neanderthal socialist policies going back to the reactionary—

Some hon. Members: Oh, oh!

Mr. Baldwin: That is the most reactionary party in this House. They are espousing policies that were fashionable 60 or 70 years ago. They simply have not caught up with modern times. It is a pity that such a bright young man should be wedded to such a dismal and dispirited cause.

I want to say this about the hon. member for Champlain. He also took up the question of the nature of the requests made by members of the House from time to time. Of course there has been a need, and there will always be a need, for members to suggest that the government should change the emphasis in its spending. I would not adequately represent my constituency if I did not think that funds might better be directed in some other way than they are at present. That is the nature of these requests which are made to the government from time to time.

● (1650)

The President of the Treasury Board has given us his usual dull, listless, limp speech. I have heard it at least six times in the House recently. Having heard it again, I feel deeply discouraged. When the Prime Minister (Mr. Trudeau) came in today, he looked grim and dispirited. I know he has had a cold and I sympathize with him on that score, but there are other reasons for his apparent discouragement. He and some of his ministers have been away on an individual and collective economic safari, with themselves as beaters, gun carriers and spear bearers. After wandering across the length and breadth of Canada trying to sell a very difficult program—and I can appreciate the difficulties they encountered—a certain grimness of mood is understandable. After all, on October 12, 1975, the economy was in good condition. Inflation was not worrying anyone—certainly not anyone on the government side. The fiscal and monetary calculations established by the budget of the former minister of finance in June were right on line. Everything was fine; there was nothing to worry about at all.

Then suddenly, on October 13, tragedy. We are faced with inflation, or "apprehended" inflation, if I may borrow the famous word used in 1970. The Prime Minister finds

himself confronted with what is likely to be the most formidable task of his career, that of persuading the people of Canada to support the program he has put forward and, what is more difficult still, to believe in the government's sincerity.

I am shocked at the line taken by the President of the Treasury Board. Surely, there are members of his staff who have read our motion. We are not saying that cuts should be made here, or there, or somewhere else. The minister's own colleagues have been going around the country telling us that the economy is in a dangerous situation, that the Canadian people must realize the seriousness of the position, and that the government, as proof of its sincerity, intends to do something about it. What we are saying is: show us. This is the test.

Members opposite have the unparallelled audacity to ask the people of Canada to make the sacrifices which will be necessary to accommodate government policy, while lacking the nerve, the energy or the wit to come before parliament and say, "Here is what we intend to do when it comes to restraining our own spending." Do not talk about the restraint shown in the budget of June, 1975. All that happened then was that the former minister of finance, beating his breast, told us, "I had to do a terrible thing; I had to tell my colleagues they could not get all the money they were asking for. I had to cut them down." But we never saw the comparative figures. He did not tell us what the original figures were. His protestations were a load of garbage, and the minister knows it. If he had tabled the original requests and shown how they were cut down, we might have had some respect for his decision. But all he told us was that he had made these cuts. We do not accept that. It is a lot of nonsense.

Even if our motion had been couched along those lines, the minister's response was a flop. But it was not couched in those terms. It states that the government should set an example to other Canadians by forthwith indicating the nature and the extent of the restraints it was prepared to accept. That is what we are asking: either put up or shut up. If the government is prepared to exercise restraint, let the House and the country be told by what means. Until the government does so, no one will believe what it says.

I say, in all sincerity, that I do not like the government's program in detail. I do not think it will work as presently set up. But I am one of those who took part in the debate and said I was prepared to make an effort to bring about a bill which would work; and we need a bill which is going to work because the country cannot continue much longer under the type of fiscal and monetary programs the government has foisted upon us. I know the President of the Treasury Board did not have much time in which to prepare for this debate. But, equally, we did not have much time in which to put down our motion. I should have thought the minister would have guessed this was the kind of motion the official opposition would put forward under present conditions. But if the minister had come here today and instead of his tired old speech had given us a firm indication of what he was going to do, the position would be vastly improved. However, he does not intend to, and the reason is that he does not know how; he hasn't the faintest idea.

Mr. Chrétien: What about the reduction in man-years for next year—1.5 per cent?

Mr. Woolliams: That is like going out to buy a Cadillac and ending up with a Chevy: you have saved money.

Mr. Baldwin: The trouble is there are too many of these artful dodgers, and artful dodgers cannot easily sell a program of the kind the government has brought down. But unless they do, the program is doomed to failure. I am not going to deal with them per se because they are now in committee, but I can deal with what is collateral to the proposal in the bill, namely, fiscal and monetary policy.

● (1700)

We are dealing with fiscal policy here, in the sense that there has to be some restraint. If the government cannot do any better two months from now than it is doing today, then this program is going to be a sham, a failure and the country is going to be in a mess. What will the government do then? This is why we have provided this opportunity for the government to give us some earnest ideas of its determination and its intentions with regard to these issues.

This is a public relations exercise with gigantic stakes—the survival of this country as an effective economic unit for a great many years to come. They are the stakes that exist in this program the government has put forward. If the government can do no better than the minister has today, then it will be in trouble. I can understand why the public and the press reaction to the attempts of the Prime Minister, the Minister of Finance (Mr. Macdonald) and others to make the program stand up and to appear to be a reasonable and logical one has been universally so negative. I feel that this is at the root of the issue we are now facing.

Mr. Knowles (Winnipeg North Centre): Are you now going to tell us what Senator Lawson said?

Mr. Baldwin: I think that is an irrelevant question. My friend probably knows him a lot better than I do, and I am sure he can deal with Senator Lawson. I dealt with his leader; he can deal with the senator. But I should not say too much about the other place in front of the hon. member. In any event, I just want to touch for a moment on the budget and on the budgetary deficit. I think the President of the Treasury Board, perhaps quite naïvely and innocently, misrepresented or misstated certain facts and possibilities. In the first place, I support what my leader said and I challenge the minister to tell us what the deficit will be. Both he and I know that supplementary estimates will be brought in. What will they be, and how much? I challenge the minister to put those facts on the record.

My belief is that the government will be very careful not to bring into the House the total package of supplementary estimates before Bill C-73 has been passed. We would only be looking at that part of the iceberg that is above the water, not at the gigantic part that lies below. I suggest to the members of this House that the total amount of supplementary estimates the government will be bringing in will substantially alter the balance of payments and the fiscal situation of the treasury, making it look completely different from the one envisaged by the former minister of finance. This is one of the reasons we

are not being given the supplementary estimates and why we will not get the total package until this program is out of the House and out of this parliament.

In June of 1975, the minister indicated that there would be a budgetary deficit of $3.175 billion. The President of the Treasury Board never gives us the correct facts because he is never listening when he is being told something factual. We were told the budgetary revenues would be $25.725 billion and budgetary expenditures $28.9 billion, leaving a deficit, which I think even the minister would be able to calculate, of $3.175 billion. My leader was talking about deficits, and the President of the Treasury Board responded in those terms. I can only gather that he was so excited at the successful speech of my leader that he was not able to direct his attention to the true facts. I believe, assuming that collection and spending patterns remain the same and that there are no major alterations in federal fiscal policy in mid-year, the past patterns of financial operation can be applied to existing revenue and expenditure figures for the first four months of fiscal year 1976. Actual revenues can be expected to be $25,508 million, and expenditures $33,232 million.

From that we draw the inference that there is a very serious likelihood that the budgetary deficit will not be $3.175 billion, but $7.724 billion. This information the government is either hiding or is ignorant of. In either case it deserves to be severely castigated for its failure to come clean with the country, in view of the very serious situation we are facing at this time in our history. In this situation, with this knowledge behind the government, it is no wonder the Prime Minister and his colleagues cannot summon the sincerity that is absolutely essential to convince the people of Canada that the government means what it says and intends to involve itself in some form of restraint.

May I just take another two or three minutes to finish what I have to say. My colleague from South Shore (Mr. Crouse) is going to deal in some detail with the latter part of our motion, but I want to put on record a couple of sentences or so about it. The minister said today that he would be bringing in a bill shortly, or within several weeks. I hope he is right. If this motion does nothing other than compel the government to do this, then it will at least have been valuable.

It is ten years ago that we first asked that there be legislation to deal with the Auditor General, some form of separate legislation. We have been up and down the scale, year in and year out, with the government hiding, with the government being guilty of deception, with ministers like the Minister of Public Works (Mr. Drury) who are very gun-shy of the Auditor General, using all their power and authority to prevent such a bill being brought in. We have been fooled and deceived too often and I would warn the minister, as I warned the President of the Privy Council (Mr. Sharp), that we intend to keep on at this and see that legislation is brought in.

After all, Mr. Speaker, as the hon. member for Champlain said, waste and extravagance may not amount to so many billions of dollars; but when I go into a supermarket, as others of my colleagues do from time to time, and see harried men and women concerned and anxious, people who with their families must pay every attention to their expenditures, then it is essential that as an earnest of the government's intentions it bring in this legislation within two or three weeks. We will then know that the government is attempting to show the people of this country that their money is being properly and wisely expended.

Mr. Herb Breau (Gloucester): Mr. Speaker, I think the hon. member for Peace River (Mr. Baldwin) said he had heard the speech of the President of the Treasury Board (Mr. Chrétien) six times. I must say that the only new thing I learned from the hon. member's speech was that he does his shopping with his wife on weekends. In fact, his speech is a repetition of many of the things we have heard in the past.

Mr. Baldwin: Not only on weekends.

Mr. Breau: That is even better. This motion gives me the opportunity of putting forward my views on government spending and on the myth being spread by some prominent members of the Conservative party, perhaps because of events to occur next February, that government spending is inflationary and so bad for society. I think that is a myth. The President of the Treasury Board indicated earlier this afternoon the percentage of government spending that is statutory, which means it is provided for already by legislation. He also pointed out many cost-sharing programs which we have with the provinces.

● (1710)

Putting aside for a minute the conventional questioning about government spending to regulate the income and the impact of government spending on inflation and the cost of living, one can see that there is little room in this country for more government spending to have the necessary impact on the economy. Just under 20 per cent of the federal budget this year is directly related to operational and capital expenditures. In other words, any amount of money that you cut must come from those areas of operational and capital expenditures controlled by the federal government. That is the only area you have to work on. For that reason, I suggest those people who speak about the possibility of substantial cuts in government expenditure cannot be serious unless they are referring to statutory programs.

If these members are referring to those programs, they must keep in mind that this would drastically change our social structure and our federal-provincial relationships. Surely, this would bring us back to the situation that existed 10, 15 or 20 years ago when a lot of people in this country were living without opportunity, and many in misery.

The role of government in society has changed. Following the Second World War, the western world concentrated its efforts toward economic development. Then the 1960s and the 1970s came along and everyone realized that in order to maintain a stable society in which people could live a decent life, governments would have to attack many serious problems. Governments had to be more concerned with social development. This is why we spend so much money today on statutory programs, and it is why we have such a high investment in social programs today. This is directly the result of the changing role of government in modern society.

Let me deal very briefly with what the Leader of the Opposition (Mr. Stanfield) had to say. Let me refer to his comments in respect of DREE, in the context of government spending. I am sure the Leader of the Opposition is aware of the danger this type of criticism may have for some parts of the country. Some parts of the country might become overly concerned with such dramatic references to DREE, as happened in 1971 and 1972, and this can only hurt the program. I know the Leader of the Opposition does not want that.

Mr. Stanfield: That is why you had better develop a decent program.

Mr. Breau: I would like to remind the hon. gentleman of the danger created by this type of dramatic statement. This is an area which is very costly and is very difficult to administer. Development is not easy in this country, just as it is not easy anywhere else in the world. There are hundreds of examples that anyone could find, in respect of DREE, of money not being spent in accordance with the normal rules and procedures. But that is the price you have to pay for development. I hope the Leader of the Opposition will be careful, when discussing government spending in the next few years, not to start again the kind of debate we had in 1971 and 1972 which resulted in such harm to the program. Most of the examples being dramatized were exaggerated and most of them, on consideration, could be easily explained.

The Leader of the Opposition and a number of his colleagues referred to the Unemployment Insurance Commission in the last week or so during the debate on Bill C-69. I intend to speak on that bill next week, so I will not deal with it at length this afternoon. Let me just remind hon. members that the amount involved is not $4 billion but is more like $3.6 billion for this year. Many hon. members were not being entirely honest when they compared that figure with the old program, in that they did not mention that much of this money is recoverable through income tax because the system has now been made more equitable. Benefits under the Unemployment Insurance Commission are now taxable.

It is difficult to determine what amount is recoverable in taxes. I am attempting a study in this regard in the hope of coming up with an approximate figure. Surely, hon. members who want to be entirely honest when referring to the $3.6 billion going out in unemployment insurance benefits this year should mention that a proportion of it is coming back in the form of income tax.

Mr. Baldwin: And administration costs are up 100 per cent.

Mr. Breau: I am not suggesting that; I am suggesting that if hon. members want to be entirely honest they should mention the amount that is recoverable through our income tax system. They cannot refer to an actual figure, but they could mention the fact that a lot of this money is recovered in income tax. As a matter of fact, I have made a study of this. I understand that this year, if you take into account the amount that is recoverable through income taxes, the UIC program is close to self-sufficient. Perhaps in this way contributions by employers and employees would not be required to be increased and the government contribution would be less.

This being a political forum, I can understand that members make political arguments. They want to embarrass the government and use figures that confirm their arguments. I just want to put on the record the fact that when hon. members talk about the $3.6 billion being spent on unemployment insurance benefits, this is actually less the amount recovered through income tax. When people talk about contributions by employers and employees, the figures should reflect the amounts being allowed as deductions from income tax following the adoption of a more equitable tax in 1971.

I was happy to hear the tone of the speech by the Leader of the Opposition. I have always thought he has a moderating influence in this House and a moderating influence on his party. The real force behind a motion like this is the force evident in those members who feel the government should not intervene as much in society, and in those who are against the kind of statutory programs we have adopted in this House in the last ten years, such as medicare, the Canada Assistance Plan, UIC and all the others.

Of course these programs are inflationary. Everyone knew that when they were adopted. I have admitted before parliamentary committees, as have ministers of this government, that if you cut taxes for low income people and increase old age pensions and family allowances, this will have an inflationary effect. There are some inflationary aspects of these programs, and we all know that. What we are saying is that this is worth the price. A lot of people get too upset about inflation, and they exaggerate. One of the things we must do is make sure that those less capable of looking after themselves are assisted in adapting to inflation. If your costs are increasing by $1,000 a year and your salary is increasing by $1,200, I do not see any reason for individual concern.

We have built-in inflation in our system because we adopted many of these social projects, many of them when the Tories were in power. The Tories approved of them at that time. The same trend existed in the United States. The Johnson administration was after the same thing because it had been decided by western democracies that income should be distributed.

● (1720)

How is income distributed? There are many ways to do it. We may disagree on the means, but it was clearly decided in the course of the 1960s and 1970s that it was necessary to distribute income in democracies and in our society because there was no way we could tolerate the kind of social situations which we saw. Not one member on the other side wanted to do so.

Mr. Baldwin: On a point of order, Mr. Speaker, may I say I am one member who is entitled to challenge the hon. member, because I was a member who ten years ago placed on the record a clause which stated, in effect, that our payments for things of this kind should be geared to our productive capacity and our ability to pay for them.

Mr. Breau: That is right. I hope nothing I have said will contradict that. I do not want to become involved in an argument with hon. members. I have not yet dealt with

that matter in my speech. I hear an hon. member opposite giving a very simplistic definition of inflation. There can be different kinds of inflation. There can be inflation caused by lack of productivity and there can be demand inflation. Many of these programs are inflationary in nature.

If we distribute income and give money to sectors of society which, because of their nature, may not spend it as wisely as if it were invested in the national interest, of course it will be inflationary. Particularly in a country like Canada, where income is distributed in sectors not only in terms of people but also geographically, of course inflation will be created in some parts of the country. I agree with the hon. member for Peace River that we should try to relate this as much as possible to productivity, but the fact is that we have done so as much as possible in the last ten or fifteen years.

Mr. Baldwin: Then what is the Prime Minister doing trotting around the country?

Mr. Breau: I will answer that interjection from the hon. member for Peace River who is now on his way out of the chamber.

Mr. Paproski: He is just answering a telephone call.

Mr. Breau: He is just answering a telephone call, I am told. I know that he is a very assiduous member of this House. I will answer the question by saying I do not want to deal with the new anti-inflation program of the government, because this is not the nature of the motion. The hon. member for Peace River spent much time talking about economic and fiscal policy, while the motion does not deal with that. So I do not want to be carried away into a debate on economic policy.

The speech of the Leader of the Opposition this afternoon had a moderating effect. We have heard in public that many people within his party, because of future events, want to have less intervention and less of these statutory social programs. I am not one who wants that. There is no way a man could have been the premier of Nova Scotia or could even have been elected in the Atlantic provinces if he did not think that government intervention in society is good. So I was happy to hear the tone of the speech of the Leader of the Opposition, because I think he agrees with me that in a modern society, one who speaks of restricting government spending and restricting government intervention must be out of his mind. If we want more technology in order to compete better in the world, there will have to be dislocation of workers; therefore, there is need for training assistance, government intervention and government spending.

If we want to have a high degree of productivity and to be one of the most technically advanced nations in the world, we will have to transform our industries. There is an example in my constituency. It is one of the things the government of New Brunswick has done. It has rationalized its forest management policy. In that context, DREE has been involved. The federal government has been very substantially involved in studying this whole question and coming up with a new approach to forest management policy. The centre of this was the construction of a new lumber mill. Unfortunately, the timing was not too good because the lumber market has been depressed. Because we want to be more efficient and more productive, this mill, which is highly technological and very sophisticated, has a relatively small labour force in relation to the volume of lumber it will produce, compared to the old type of family-owned sawmill, and so on, that has been in existence in New Brunswick.

Here is a case of the government of New Brunswick and the government of Canada, in the national interest perhaps creating unemployment because there is a desire to be more productive and to produce lumber at the best price and volume for export to the United States. Many of the small mills, particularly because of the depressed lumber market, are not able to compete with the prices this new mill charges for the lumber it is placing on the market. They have been unable to compete, and in future we will have to transform the lumber industry of New Brunswick in order to have a more rational use of the trees in our forests. That is good for the country. In the long-term it is good for northern New Brunswick and the whole of New Brunswick.

But in the process many workers will be dislocated. This will apply to the small, family-owned mills. Many workers will be dislocated in the cutting industry because many of them use traditional or conventional types of machinery to cut the trees, while it is new equipment that is being used now. This is a case in which we have a trade-off between protecting maybe 125 good jobs for the future that will be competitive and in respect of which a government handout will never be required. That is good. In the process, however, we must look after the people who have been dislocated. This can be done in society only by government intervention through Manpower Programs, Local Employment Assistance Programs, Canada Assistance Programs and many similar programs.

I am glad the Leader of the Opposition did not take a stand today to support those within his party who publicly in the last few months have suggested that the government should intervene less in society. I am glad the former premier of Nova Scotia is not the type of politician who would get on a bandwagon which is so popular in some places in Canada today and say that government spending should be restricted. There is no question that so far as the 56 per cent of structural spending is concerned, this is where a cut could be made that would have an impact on inflation and on the economy. But anyone who suggests we can have a drastic cut in the structural spending of the federal government is out of his mind, because it is a complete contradiction of what society is all about.

I should like to deal very briefly with the remarks of the hon. member for Oshawa-Whitby (Mr. Broadbent) who first of all described the government's anti-inflation program as restrictive. I agree there is restriction in some cases. There is restriction in respect of big unions and the powerful in society, but there is no restriction so far as the low income wage earner is concerned, because without this program he could not catch up and the big powerful unions would continue the galloping increases of 18 per cent and 25 per cent. So we should not call this a restrictive policy.

With regard to some of the industry programs the hon. member mentioned, and some other programs, my comment is that he cannot be serious when he suggests that when government has to intervene on the social side, it must not also intervene on the industry side to make sure, first of all, that industry becomes efficient, productive, follows the technology used in the world and is co-operative. Being an academic, I can only say that he might have a conflict of interest, because instead of industry he wants academicians to do the work. However, there is no question that the government must work closely with industry in research programs and with that kind of intervention.

● (1730)

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Medicine Hat (Mr. Hargrave)—Grain—Suggested deferral for income tax purposes of interim payments; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Cape Breton Development Corporation—Request of United Mine Workers for investigation of management of corporation—Government position; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs—Prisoners of war—Date of implementation of recommendations of committee.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GOVERNMENT SPENDING—IMPLEMENTATION OF WILSON REPORT

The House resumed consideration of the motion of Mr. Stanfield:

That in the view of this House, the government should set an example to other Canadians by forthwith indicating the nature and extent of the restraints on government spending and should also introduce without further delay measures to implement the Wilson Report on the office of the Auditor General as an indication of its willingness to eliminate waste and extravagance.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on this supply motion, especially the part which states that the government should "introduce without further delay measures to implement the Wilson Report on the office of the Auditor General as an indication of its willingness to eliminate waste and extravagance."

Before I deal with the main body of my speech, quite frankly I listened with some amazement and concern to

the speech made today by the President of the Treasury Board (Mr. Chrétien) as he repeated over and over again that members of the Official Opposition never give him any concrete suggestions for curtailing expenditures, but keep asking him for more and more.

I do not wish to be overly repetitious in debate, but when speaking in the House on October 23, 1975, I gave in some detail a number of concrete proposals covering cuts in expenditures which, if implemented only in part, would cut back some half a billion dollars from government expenditures without basically affecting the lifestyle of Canadians.

Obviously the minister is not interested in receiving sincere, concrete proposals; rather, he can only list a group of expenditures, which he did today, which he claims cannot in any way be curtailed. I will ask him again to refer to page 8491 of *Hansard* for October 23, 1975, and at least give consideration to the proposals I made, which I hope will be helpful.

The credibility of the government is at stake, and its credibility is strained. There is no question in anyone's mind why this should be so. All one has to do is to look at the Ottawa *Journal* of October 29 to read that the cost of renovating the former LaSalle Academy on Sussex Drive as headquarters for the Minister of State for Urban Affairs (Mr. Danson) doubled between January, 1973, and December, 1974, according to a Department of Public Works spokesman. The additional cost of restoring the historic building was estimated at $4.3 million. By December, 1974, Treasury Board had approved expenditures totalling $8.3 million.

Mr. Baldwin: Shocking.

Mr. Crouse: This type of expenditure, a mismanagement of government funds, puts us as Canadians in the position we are today.

The present powers of the Auditor General of Canada are derived from sections 56 through 65 of the Financial Administration Act. The office, of course, predates confederation. Numerous attempts have been made to draft new legislation in order to resolve the controversy between the previous Auditor General and the ministry. Some were prepared at the instigation of the then president of the treasury board, one was drafted by the Auditor General himself, and two had their origins in the Standing Committee on Public Accounts. None of these drafts envisaged any change in the role of the Auditor General. Instead, all were largely concerned with housekeeping details.

A large number of the recommendations submitted by the Independent Review Committee can only be implemented by legislation or by some other form of executive action. In all of them, however, there is an underlying purpose, namely, to strengthen the office of the Auditor General of Canada, a purpose which the Public Accounts Committee must fully support.

There are some who would argue that strengthening the office of the Auditor General would provide a temporary improvement in the positions of political parties currently in opposition. However, I believe it would also ultimately strengthen the parliamentary system, and surely this

should be a goal which is shared by all members of parliament regardless of their political affiliation.

On Monday, June 2, 1975, there was a debate in this House on the subject of strengthening the office of the Auditor General. The general consensus reached by all parties on that occasion was that the present Auditor General is carrying out his mandate in an objective and systematic manner. However, in order that he can discharge his responsibilities more effectively and efficiently, his office must be strengthened by legislation and/or by executive action, if public spending is to be controlled and accountability to parliament is to be preserved.

The Independent Review Committee was established immediately after the present Auditor General, Mr. James Macdonell, took office in July of 1973. It consisted of three members: Mr. J. R. Wilson, chairman; Mr. Marcel Bélanger, and Mr. Lorne Campbell. Their work began in October, 1973, with the approval of the chairman and vice-chairman of the Public Accounts Committee, and their report was finally tabled by the then minister of finance on April 8, 1975.

The Wilson Report, as it is sometimes called, is in both official languages. It is divided into three parts, entitled Background, Responsibilities, and finally Relationship, Resources and Independence.

Chapter 10 embodies the conclusions of the report and a useful summary of the major recommendations of the Independent Review Committee.

In reviewing the 47 recommendations made by the committee, it became clear that approximately 27 require legislation, eight request action either by the cabinet or the Treasury Board, and two by the Public Accounts Committee or other committees of the House. Nine recommendations have been or are being implemented by the audit office. So far only one imposes a problem of implementation.

The important recommendations can briefly be grouped as follows:

1. What the Auditor General is expected to report to the House of Commons should be more clearly defined and, in particular, should include the right to report on expenditures where value for money has not been obtained. To discharge this and other responsibilities the Auditor General should have the freedom to examine any accounts and records he considers necessary.

2. The major financial statements of the Government of Canada that are presented in the Public Accounts should be expanded to include a "sources and applications of funds" statement and the Auditor General should provide an opinion as to whether or not they are in accordance with stated accounting policies that have been applied on a consistent basis from year to year.

3. Procedural changes should be made to reduce the lag in considering the annual report of the Auditor General by the Standing Committee on Public Accounts of the House of Commons.

4. The Auditor General should be able to recruit and retain the numbers and kind of professional staff that he needs to discharge his responsibilities.

5. The personal independence of the Auditor General must be ensured and Parliament must be certain he could not be vulnerable to administrative pressures that would hamper him in carrying out the examinations necessary to the discharge of his responsibilities.

Perhaps the most significant of all the recommendations presented by the Wilson Committee is the one in which it is proposed that the Auditor General should have the right to report to parliament on expenditures for which value for money has not been obtained. This proposal transcends all the others, and I venture to say it will cause more debate within this ministry than any of the other proposals made so far.

Generally speaking, the present situation is as follows: the Financial Administration Act requires the Auditor General to perform certain specific tasks. It also provides that he is to report, "any other case the Auditor General considers should be brought to the notice of the House of Commons." These last words are the ramp from which Mr. Maxwell Henderson launched his attack on unproductive expenditures. It was with Mr. Henderson's right to comment on such expenditures that the then president of the treasury board took issue.

The Wilson Report proposes that the Auditor General abandon the concept of non productive expenditures and, in its stead, be specifically empowered to assess whether the public is getting value for money expended. The concept of value for money, according to the report, involves three interrelated components: whether the money is expended economically and efficiently, and whether the program on which it is expended is effective in meeting its objectives.

The position taken by the Wilson Committee is that the cabinet and the bureaucracy act as a kind of trustee of public funds, and that the Auditor General can be viewed as a kind of monitor of this trusteeship. Although the report does not elaborate, these three concepts are usually defined as follows: economically means the acquisition of the program inputs of a given quantity at the lowest possible price; efficiency means that the inputs were of such a kind or deployed in such a way as to produce the largest possible tangible output of a given quality for the dollars expended; effectiveness means that the objectives of the program were achieved at the lowest possible cost, or the desired results were obtained to the greatest possible extent commensurate with the resources provided.

● (1740)

Although the term "unproductive expenditure" has still to be properly defined, I believe it has come to mean any expenditure that did not result in a final product, however useless that product might be.

Two examples of unproductive expenditures that come to mind are the plans for the Prince Edward Island causeway and the refit of HMCS *Bonaventure*. In the case of the former it was a payment for a feasibility study that concluded that a particular proposed project was not warranted. In the case of the *Bonaventure* the right hand obviously did not know what the left hand was doing. Repairs were carried out on a ship declared surplus to our needs. In both cases tens of millions of dollars were wasted, and it is this type of waste that has led to our present explosive economic situation.

There may be some difficulty on the part of the department to accept the concept that the administration should be viewed as a trustee of public funds. However, it is important to recognize that the administration, unlike the usual trustee, does not have a clear direction as to what it is entrusted to do.

In my view the report's basic proposals with respect to the Auditor General's right to report on economy, efficien-

cy, and effectiveness are sound if properly interpreted. Perhaps it would have been preferable if the argument had been expressed in terms of the public's right to know rather than in terms of the rights of beneficiaries under a trust. After all, the fundamental reason why the Auditor General should report to parliament on these matters is that it is obviously not in the interest of the department to make such information available when the results are unfavourable.

Moreover, given the degree of secrecy a government administration can maintain, the opposition parties or the electorate usually do not have enough insight or knowledge to ask questions that would elicit the relevant information, even when they have the right to obtain it. Thus the adoption of these recommendations with respect to value for money is a means of breaking through the present secrecy barrier of the department, and a means of informing the Canadian taxpayers of the stewardship of their money.

It would be incorrect to say that the adoption of these recommendations would resolve the endless controversy that surrounds government expenditures. Through more disclosure and more public debate, however, it would help the public to assess the efficiency and effectiveness of government programs.

Furthermore, it would be incorrect to expect that the Auditor General would use his staff to carry out efficiency and effectiveness studies; rather Wilson suggests that he should report on such questions as whether departments are undertaking efficiency and effectiveness studies on their programs and, if not, why not? All too often the basic data required to which these methods could be applied are not being collected, much less analysed. If the studies have been conducted, have the results been made public? If not, why not? And do the data used and the methodologies applied give results that are reliable and justifiable within certain cost constraints and potential cost savings?

Finally, the most important danger to the audit office, if it were to engage in such studies, would be the lack of consensus about data and methodologies in which these studies would inevitably embroil the Auditor General. They could lead to intensive political controversy, and thus eventually threaten the integrity of the office itself.

I cannot help but conclude that although the department may be unwilling to legislate the value for money concept, the Auditor General under the existing provisions in the Financial Administration Act can adopt the Wilson report's recommendation in this regard and, with the committee's support, proceed to report those cases where value for money has not been obtained.

The adoption of the Wilson recommendations in this area would be a useful advance for parliamentarians in their review of the public accounts, and for students of public finance. One would hope too that the Canadian Institute of Chartered Accountants would set up some permanent committee to concern itself with government accounting principles, and would seek to monitor their introduction and implementation by government departments and agencies.

Already the Auditor General has formed a task force of professional accountants from the private sector to study this problem within government departments, and the formation of government accounting principles by an independent body would greatly assist his current endeavours in this regard.

The third recommendation, that procedural changes be considered that would reduce the delay in the consideration of the Auditor General's annual report by parliament should be of some concern to the Public Accounts Committee. The Auditor General does not report to the House of Commons for at least six months after the end of the fiscal year. And there have been delays of six months or more before the committee has had an opportunity to begin considering his findings.

Because the Auditor General's annual report is invariably bad news for any department, there is little doubt that the executive has little interest in speeding up the program and, indeed, has something to gain by the delay. Criticism of transactions that took place two years before, are less biting than those dealing with current decisions.

The Wilson committee, in my view, clearly did not want to affront parliament by making a firm recommendation about its own procedures, but it is clear that the present arrangement is favourable to the department and should be tightened to reduce the degree of discretion it presently enjoys. The recommendation for an automatic referral, therefore, would be one practical proposal for the Standing Committee on Public Accounts to consider and recommend to the Procedure and Organization Committee for inclusion in the Standing Orders of the House of Commons.

At the same time the Public Accounts Committee should consider very seriously the automatic referral of the Public Accounts of Canada on the same basis as the Auditor General's annual report. This point was not raised in the Wilson report because it was considered outside their terms of reference. However, as was experienced by the Public Accounts Committee during the current session of parliament when the public accounts for the fiscal year 1974 were not referred to them, the committee's power to examine government expenditures was greatly reduced. This in turn made the systematic review of departmental accounts more difficult and less penetrating for all members of the committee, not only opposition members, in their examinations. In my opinion the recommendation for an automatic referral would therefore improve the committee's effectiveness in its reviewing procedures.

The Wilson report describes what transpired in the most neutral possible manner, and makes a number of recommendations. In my view the most important is the proposal that the Auditor General be given separate status so that he could classify his own positions and thus be free of the authority of the personnel policy branch of the Treasury Board.

In the past two years Mr. Macdonnell has introduced major innovations in his office. He has published his annual reports to parliament within the appropriate nine months of the end of the fiscal year on March 31, and has streamlined his reports so that the Public Accounts Committee can deal with them more quickly. Mr. Macdonnell tells me he hopes within a year or two to speed up publication so reports can be tabled in the Commons at the beginning of the fall session in October, a move that would further assist the committee.

Another new approach adopted by the audit office has been to recommend changes to government departments following wasteful ways, and to report the results. The audit staff will be returning to these departments to ensure that the recommended changes have been put into practice.

As previously mentioned, a third important innovation recently introduced has been the creation of a special audit branch within the audit office for the conduct of special studies. Using private sector professional accountants on the public service executive interchange program, the Auditor General has sent highly qualified staff into Crown corporations, government departments and agencies, to investigate their internal financial management control systems.

The adoption of this private sector approach has been the main theme of the independent review committee whose recommendations, we have seen, are practical, logical, and necessary if the office of the Auditor General is to increase its effectiveness and efficiency in its examination of public spending.

Reports so far indicate that the government favours introducing legislation to redefine the role and responsibilities of the office of the Auditor General, but so far there is no indication when it will appear on the legislative timetable. One thing is certain. Any legislation introduced may well be non-controversial, which suggests that the "value for money" concept might not be included. I hope that in this regard my assumption is incorrect. Notwithstanding this provision the Auditor General, now supported by the Wilson report, has an opportunity to do Canada an enormous service while serving as watchdog of the public treasury. That, obviously, is an important duty, especially in light of the financial revelations we have received from the Auditor General.

● (1750)

The Auditor General can also help to increase the degree of public acceptance of decisions reached under our existing parliamentary system. We must do our level best to eliminate waste and extravagance, not only to make this government credible but to make the present parliamentary system credible to the Canadian people. Judging from the unrest we see portrayed on national television and in our daily newspapers, we have a long way to go if we want to win this particular battle.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, opposition members who rose this afternoon seemed to resent the kind of answer they got from the President of the Treasury Board (Mr. Chrétien), but I am not surprised at all, because the terms of the motion undeniably may lead to some confusion. It is a threefold motion, which reads as follows: First,

That in the view of this House, the government should set an example to other Canadians by forthwith indicating the nature and extent of the restraints on government spending—

Second,

—and should also introduce without further delay measures to implement the Wilson Report on the office of the Auditor General—

[Mr. Crouse.]

Which has nothing to do with the foregoing. And third—

—as an indication of its willingness to eliminate waste and extravagance.

And while the leader of the opposition (Mr. Stanfield) indicated it was a test for the Liberal party regarding anti-inflation measures, I do not think there is any indication of a test in the motion, especially as opposition members themselves seem to be somewhat confused, since the previous speaker mentioned only the Wilson report a few minutes ago. He made absolutely no mention of the other two points of that motion which in my opinion are nevertheless quite important.

Therefore, it cannot be said that this is a test respecting anti-inflation measures which the government intends to take. It can be said that it is a waste of energy on the part of this House to discuss such a blurry motion, a motion of strictly political meaning which, in my opinion, is demagogic since no particular subject can be dealt with and since the motion bears on three very important elements. It is clear, however, that the Wilson report is very important, that the restraints announced are very important, that the measures to eliminate waste and extravagance also are very important, all of which is written in the motion.

I feel that, considering the 25 days allotted to it, the opposition could surely have found something more appropriate to discuss and it could perhaps have separated the motion into three parts. Today we could have discussed a test for the anti-inflation program. The motion could have stopped after the words—

—the restraints on government spending—

Then, the President of the Treasury Board would surely have replied differently because the motion before him would have indicated some restrictions on government spending.

But that is not the case; at one and the same time the Wilson report and the question of waste are also introduced.

So, Mr. Speaker, if we are to try to discuss all that, the time at our disposal is obviously too short; that would take at least three to four days of debate.

To my mind, the opposition muffed it with regard to its motion. To my mind, it is in no way a test of our restriction program. This motion was not thought out before being placed on the order paper and, of course, this creates problems when we, of the government party, wish to make a contribution and reply to the objections made either by the members of the official opposition, or by the NDP members or by the members of the Social Credit.

I especially liked one of the contributions of the Social Credit explaining the difference between expenditures and wasteful spending. These are obviously not the same thing, and this is why I said a while ago that I do not see how you can in the same motion talk about expenditures and wasteful spending because the government and Parliament have absolute authority as concerns expenditures through the estimates which are submitted to the House and to the various committees where opposition members spend many hours discussing government expenses and voting for them most of the time. When they have objections about expenditures, they make them during the review of the estimates, and that is when I believe they

must state their arguments and tell the government what other action it should take to try to limit its expenditures.

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

Mr. Deputy Speaker: Does the House agree to call it six o'clock? It is agreed.

It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Leblanc (Laurier): Mr. Speaker, as I was saying when the House took recess at six o'clock, the motion introduced by the members of the loyal opposition and presented by the leader himself, who will no longer be the leader in February, contains three specific points which were creating confusion for the Progressive Conservatives and everyone else. It was even reported that this motion was very important because it was putting the government to the test to find out whether the restrictive measures are related to the offensive against inflation. If such is the case, as the leader of the opposition himself pointed out as well as the opposition leader in this House, if such is the case I am wondering how it is that the Progressive Conservative leadership candidates—there are quite a few and they are indeed members of parliament—were not present this afternoon and they are not here now. It does not seem to me, that the motion introduced by Progressive Conservatives is all that important since the leadership candidates, one of whom will be the main opponent of the Liberal party in a few months, even these candidates are not in the House to hear their present leader discuss the test that he wants to put to the party in power and they are not here to take steps either. Members of the opposition cannot take a position, and I understand; they cannot take a position because very soon they will be selling something to their supporters and even to people who will not support them. Of course they do not want to stick their necks out at the present time in a case which, according to the leader of the official opposition, is a very important test for the party in power, to know whether the party really means to implement measures against inflation.

All this does not seem very serious to me, Mr. Speaker, and unfortunately, they are attempting to confuse things by introducing a motion which covers three very important subjects of debate. I do not see anything serious in this and as to waste, I think they are the ones who are now wasting the time of the House putting before it a motion that not even they intend to support.

Mr. Guay (St. Boniface): They themselves are not convinced!

Mr. Leblanc (Laurier): Our party whip says that they themselves are not convinced, and I fully share his opinion.

Before the House took recess, I was dealing with the control over our national expenses and the checking after

expenses are incurred. There is a very important difference. The estimates were studied in the House by Parliament, not only by the government, from March 1 to May 31; they were then reviewed in committee where we spent a great many hours considering government expenses. Since March, there is a new and temporary agreement between the parties. We even try something new when the Committee of the Whole House meets. Estimates are studied, and the opposition has every opportunity to discuss expenses control.

If this is the gist of the motion, I think there will be no problem, for the opposition may use the devil's or God's eye to examine government expenses. It is its responsibility to exercise its privilege.

Now, the Canadian people itself has access to very important documents through the booklet entitled *How your tax dollar is spent*, where they can see where their tax dollar goes. It is not very efficient to speak afterwards, when the spending is done, even if we talk of stopping wastage.

Once the spending is done, we have a watchdog called the Auditor General who is responsible for indicating the deficiencies which may appear in the exercise of some functions. Certainly, Mr. Speaker, there may be some errors in the administration of a budget of some $30 billion in about 30 departments; it is very human. Nobody can claim that there will not be any wasteful expenditures occasionally. That is why we have an Auditor General who goes over all the details once the spending is done. Later, he issues a report which is referred to the Committee on Public Accounts on which I have been sitting for almost 12 years already.

We then very carefully consider the propositions brought forward by the Auditor General concerning expenses which are at times extravagant and we table the report in the House. The public accounts committee is presided over by a friend of mine who happens to be away at the moment. He delivered a very good speech this afternoon dealing in particular with the Auditor General's duties and responsibilities. The report is written by the public accounts committee and tabled in the House. Later, the Treasury Board uses it to correct whatever shortcoming there may be, but when you are dealing with such massive expenditures, which by the way are necessary, I think you should expect once in a while some to be picked up by the Auditor General because they were not made according to the proper procedure and must be corrected.

And I should mention, I think, for the benefit of the newcomers that the C. D. Howe Research Institute published a very interesting review concerning government spending and wastefulness under the title *Policy Review and Outlook 1975 Restructuring the Incentive System*, edited by Judd Maxwell. In this very interesting book, there is an article entitled *The Control of Government Spending*.

This book is surely not partisan. It says that some government expenditures are controllable and others are not. It also shows the difference between controllable and uncontrollable expenditures. Among the latter there are, for instance, and I quote:

● (2010)

[*English*]

Old age pensions are established by law under the Old Age Pensions Act and the government would have to amend the act before it could alter its spending either to increase or reduce pensions. In the long run, pension payments are controllable in the sense that the law can be changed by parliament, but for the moment we will classify these legal or statutory commitments as uncontrollable.

[*Translation*]

There are also so-called controllable expenditures among which the salaries paid to government employees, and I think that to a certain extent there is nevertheless an uncontrollable aspect in those expenditures. However, if you only consider what are classified as uncontrollable expenditures 58 per cent of all government estimates are uncontrollable, which leaves only, as mentioned here on page 39, and I quote:

[*English*]

The obvious corollary of this increase is that controllable spending has been shrinking so that it now represents only 42 per cent of government activity.

[*Translation*]

Now I find it difficult then to blame the government for its lack of control and its wastefulness. Moreover, among them they have a very devoted individual who is a candidate to the leadership. He was a member of the Committee on Public Accounts and he once put quite interesting questions to the Auditor General about the Glassco report. You know that the Glassco report governs at present the manner in which the federal government must control its expenditures and avoid waste. And this Progressive Conservative colleague asked the Auditor General: "Do you not think that since the Glassco report was published some ten years ago, it would be advisable to set up a new commission to give instructions to the government?

The Auditor General said that he does not think that this is necessary because for the moment he was using the "inter-exchange" program. He recruited 36 people from the private sector, all of them extremely well qualified experts doing research within the various departments who will report and bring forward some considerations with a view to trying to set up different control methods if the present methods do not work properly.

Besides, as someone said earlier this afternoon, the new Auditor General himself appointed in 1973 a non partisan committee, an expert committee instructed to review his status and examine the possibility of modifying the position of the Auditor General vis-à-vis Parliament, and this was published in a report entitled "Report of the independent review committee on the Auditor General's functions", the Wilson Report, named after the committee chairman.

This report, Mr. Speaker, contains 47 recommendations, all of them very valuable. In committee someone asked the question to the Auditor General to see if he agreed with the recommendations in that report, and the Auditor General mentioned that he agreed with all the recommendations. And he also mentioned something else. Most of the recommendations here can be implemented without enabling legislation from the government. Quite interestingly, since that time the Auditor General, as he said before the public accounts committee, already implemented several of the recommendations contained in that report himself. I think that may meet the opinion of the leader of the opposition and his colleagues, that the Wilson report should be implemented as soon as possible by the government.

Of course, that report contains things which do not necessarily rally the opinion of everyone. On the other hand, I think that we would agree with most recommendations but if I look at the brief which was submitted by the Canadian Institute of Chartered Accountants, of which I have the honour of being a member, I note that there are perhaps certain recommendations on which the Institute of Chartered Accountants does not agree, like this one, for example:

● (2020)

[*English*]

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like, since we are continuing after the supper hour, carefully to put on the record the motion that we are debating. It is as follows:

That in the view of this House, the government should set an example to other Canadians by forthwith indicating the nature and extent of the restraints on government spending and should also introduce without further delay measures to implement the Wilson Report on the office of the Auditor General as an indication of its willingness to eliminate waste and extravagance.

I have been in the House all afternoon and have listened to the speeches made by the President of the Treasury Board (Mr. Chrétien), the Leader of the Opposition (Mr. Stanfield), the hon. member for Peace River (Mr. Baldwin), the hon. member for South Shore (Mr. Crouse), and lastly the hon. member for Laurier (Mr. Leblanc), and I should like to deal in these introductory remarks with what was said by the hon. member for Laurier.

Before my leader came into the House, the hon. member was talking about our "great leader" and indicated that he was still Leader of the Opposition. I am very happy that I have the opportunity to sit on the front bench along with our leader. During the last election campaign we came out with an incomes policy, which was to be a freeze for a short period followed by a period of more flexible controls, and other monetary considerations which we felt would combat inflation.

During the election campaign my hon. friends opposite told the farmers that the Conservatives were going to control the farmers' prices. Then when they went to industrial ridings and spoke to labour they said we were going to control wages. They never discussed the two items together; they only discussed one, depending on the kind of constituency they were visiting. I believe the hon. member used the right adjective and I certainly use it in its proper sense, but this is why our great leader is sitting on this side of the House. I remind the hon. member for Laurier that it is probably better—indeed, I am sure it is better—to sit on this side of the House with our principles than be over there without any principles at all, considering what has happened during the last two weeks when hon. members opposite totally reversed themselves.

I was really amused to hear the President of the Treasury Board asking us today to give him instances of cuts that we would make in expenditures, but before I deal with that matter I should like to talk about something else that we are discussing tonight.

Mr. McKenzie: Why don't you ask them to listen to what you are saying? They never listen to anything.

The Acting Speaker (Mr. Turner (London East)): Order. The hon. member for Calgary North (Mr. Woolliams) has the floor.

Mr. Guay (St. Boniface): It is his own member making all the noise over there.

Mr. McKenzie: You be quiet and listen.

The Acting Speaker (Mr. Turner (London East)): Order. The hon. member for Calgary North has the floor.

Mr. Woolliams: Thank you, Mr. Speaker. The hon. member is my favourite speaker. A fellow always has to have one favourite speaker.

Mr. Guay (St. Boniface): A point of order, Mr. Speaker—

The Acting Speaker (Mr. Turner (London East)): Order. The hon. member for St. Boniface is rising on a point of order.

Mr. Guay (St. Boniface): I would bring to your attention, Mr. Speaker, that it was the hon. member for Winnipeg South making all the noise, not a member on this side. We are willing to listen to the hon. member for Calgary North (Mr. Woolliams).

Mr. McKenzie: On the point of order, Mr. Speaker, I am not from Winnipeg South, and I think that the President of the Treasury Board should show some respect for the members of the House.

Mr. Woolliams: Mr. Speaker, I really appreciate this. Here I am arousing people and I have not really begun my remarks. The two points that we are making are straightforward. During the last 12 months the government has increased the supply of money by 15 per cent, and is continuing to do this in the binge it has been on for a long period of time. Secondly, we are suggesting a reduction in government expenditure.

I have one point I want to make at the outset. We are asking Canadians to follow certain guidelines and to accept certain restraints. In fact the Prime Minister (Mr. Trudeau) went so far as to say in Toronto, "If you are not going to do this voluntarily and accept our controls, we will have an authoritarian kind of government and force you to". Our point is that if the government is to have credibility, it must set the example, and that is really the tone of my remarks tonight.

Coming back to the speech of the President of the Treasury Board, it reminded me of a conversation that took place between an Englishman and an American who were flying from London, England, to Kennedy airport. They had not got very far out over the Atlantic when the pilot came on and said, "I am sorry, ladies and gentlemen, we have lost engine number one, there will be an hour's delay". They then went along a little bit further and the pilot came on again and said, "I am sorry, ladies and gentlemen, we have lost engine number two and we will be delayed two hours". They went on for another half an hour and the pilot came on again and said, "I am sorry, there will be a really serious delay because we have just lost engine number three". The Englishman turned to the American and said, "If we lose engine number four, we are going to be a day late"!

That, of course, makes just about as much sense as the speech that the President of the Treasury Board delivered this afternoon in asking us to set out emphatically some of the cuts that we would make. He is a lawyer, and he knows that before we could produce that kind of evidence we would have to have every one of the estimates audited.

● (2030)

There are a few things I could say to the President of the Treasury Board. I am rather shocked to know that his government went ahead in its attempt to build a new airport in the province of Ontario and spent $100 million, without having an agreement with the provincial government.

Mr. Chrétien: We had one.

Mr. Woolliams: The government then scrapped the whole project.

Mr. Chrétien: We had an agreement.

Mr. Woolliams: If the government had an agreement then I have learned one fact tonight.

Mr. Chrétien: We had an agreement. The government of Ontario gave its word on that.

Mr. Woolliams: If you had an agreement then you also had an obligation to carry out that agreement, which has so far cost the Canadian people $100 million.

Some hon. Members: Oh, oh!

Mr. Woolliams: Let me make my second point, and I am now getting to the meat of this argument. If we are to find out what actually took place in respect of the Mirabel airport we will require a complete audit. I am confident that if the government hired accountants in Canada to do a complete audit of that project and gave them 50 per cent of the find, they would make the biggest treasures of their lives. I am sure of that in view of what has taken place in the building of that airport.

An hon. Member: Hanky-panky.

Mr. Woolliams: Those are just two incidents of wasted money on the part of the government, and a person could go on and deal with incidents of the sort all night. The hon. member for Victoria (Mr. McKinnon) referred to a study in respect of national defence. He pointed that out when the President of the Treasury Board said we did not make any suggestions where cuts could be made. That study cost $11 million which was paid to two United States

companies. The study was then shelved and has never been used. I suggest this was all done because the government wanted to delay things for two years as it had no policy at all. What did the President of the Treasury Board say when the hon. member for Victoria raised that point this afternoon? The minister said: Don't talk about peanuts; it is only $11 million. That is the attitude that runs throughout this whole government and that is why we are having this debate tonight. We say that the government should put its house in order because, if it did so, that might add credibility to its program, and Canadians would then accept the program and for nationalistic purposes carry it out.

Some years ago the Liberals hired a truth squad headed by Judy LaMarsh. I recall something that happened at a meeting during the time of that truth squad. The right hon. gentleman and member for Prince Albert (Mr. Diefenbaker) was giving that truth squad what it deserved, and he was telling the truth about its activities. Some man at the back of the hall, incidentally in my leader's province, said, "Give them hell, John". The right hon. gentleman then replied, "When I am telling the truth about the Liberals it sounds like hell to them." That is about the truth of the situation. There is no credibility as far as this government is concerned with its ministers of today.

An hon. Member: You are still grinning, Eldon.

Mr. Woolliams: I suggest that you should stop dreaming.

An hon. Member: Shame!

Mr. Woolliams: It is a shame, all right; it is a damn shame. The truth is that the government has been on an economic binge for the past seven years. The departments of government actually run this government. The President of the Treasury Board is a friend of mine, I hope, but I wonder about the experience of that man who now holds one of the most important jobs in this country. I may be wrong, and I hope I am, but I doubt that before he entered the House of Commons as a young man he had ever met with his banker to make sure he had enough capital in an enterprise to meet a payroll or to avoid going bankrupt, yet today he is the President of the Treasury Board and talks about credibility. We say there is no credibility, yet this minister is helping to run the biggest business in this nation.

The government is spending $32 billion this year. The hon. member for Peace River (Mr. Baldwin) pointed out that there would be a deficit of something in the order of $3 billion. I suggest it is likely to be closer to $7.7 billion. Every budgetary prediction I have heard since the Liberals came back to office in 1965 has been out by 50 per cent to 100 per cent. The Liberals were never very good at predicting anything. They have been on a binge ever since the Pearson government and throughout the Trudeau government.

Mr. Chrétien: You should remember the budget of 1959-60.

An hon. Member: They don't want to remember that.

Mr. Woolliams: I would ask what experience the present Minister of Transport (Mr. Lang) has had in his new field? He was the dean of a faculty at the Saskatchewan university. This was a respectable academic who became the Minister of Justice. Now he is the Minister of Transport. Does he really have the business experience necessary to analyze transportation problems?

An hon. Member: Oh, come on.

Mr. Woolliams: I am coming on, and I will come on a lot stronger. I wish you would listen to me.

An hon. Member: Will you be louder, too?

Some hon. Members: Oh, oh!

Mr. Woolliams: I wish you would listen. Does this minister have the experience required to analyze the facts?

Some hon. Members: Hear, hear!

Mr. Woolliams: You can shout loud and I will still answer; you do not have to worry about that. I always know when I am bothering the Grits' conscience by the noise they make. Have these ministers the experience to analyze the facts given them by the civil servants who basically run the government? These senior civil servants have just received a big increase in salary, up to $6,000 a year. That certainly is an example of the government's restraint.

An hon. Member: Some restraint.

Mr. Woolliams: Have any of these ministers had the experience before they came to the House which would enable them to accept the responsibilities they now hold? They may all be academics, and I would not question the marks they got at their universities, but do they have the business experience to run the government? I suggest they do not, and that is the reason why we are today facing such economic chaos.

Mr. Chrétien: I am a lawyer like you, Eldon.

Mr. Woolliams: I listened to the hon. member for Laurier (Mr. Leblanc), the President of the Treasury Board, and other Liberals today talk about uncontrollable expenses. These are the people who started these grandiose assistance plans.

Mr. Chrétien: You voted for them.

Mr. Woolliams: There are several I did not vote for. This government started these grandiose plans. Let us refer back to the debate on medicare. The Hall report pointed out that this grandiose scheme would cost the Canadian people approximately $600 million. Mr. Hall also stated that if the government did certain things it wanted to do, the plan could cost $2 billion.

When I pointed out these facts to the government at the time of the debate I was told that we should not worry about the expense because everyone was in favour of some kind of health coverage. The government went ahead with this grandiose plan.

The same thing happened in respect of the unemployment insurance fund. I remember in 1962 when the opposition abused the right hon. gentleman from Prince Albert and his government for spending $300 million in one year more than was collected from the fund. Today the govern-

ment is spending about $3.5 billion, and more likely $4 billion. In addition, the rate of contribution on the part of employers and employees has more than doubled. This is no longer an insurance plan but a grandiose scheme brought in by the Liberals, who are now paying for their sins.

When votes cease to be important they will no longer be bought by the Grits, and that boils down the present situation. This government has presented these schemes without any thought about administration, without the basis of any business experience, and is now faced with uncontrollable costs. This government cannot even control the costs that are controllable. Spending by this government is now out of hand. This government's philosophy is to spend, spend, spend; and tax, tax, tax. The philosophy of this government today is not to tax the people for services but to tax the people because the Liberals think it is right that they should be taxed. The quantum that is paid does not matter. They will pay either from their income or their profits. That is then passed on to the consumer. It becomes a vicious circle. This is what created the economic mess we are in today.

● (2040)

That is an example of the credibility we are talking about when we ask the government to cut down the extravagance now and set aside some of its ideas about grandiose schemes. The government should cut down on those expenses which are still controllable. I know one thing—the President of the Treasury Board has never read a speech of mine in which I asked the government to spend more. We are not saying the government should cut out all expenses. We are saying, however, that it should spend the taxpayers' money wisely with proper constraint.

Mr. Harquail: I rise on a point of order, Mr. Speaker. I was under the impression that today is an opposition day. I am wondering where the members of the official opposition are. I see about six Conservatives in the House. I am wondering where the Conservatives are today.

The Acting Speaker (Mr. Turner (London East)): Order please.

Mr. Paproski: On a point of privilege, Mr. Speaker, may I say that I detest that type of statement from a new member in this chamber when other members are attending committee meetings. I think that it is a shame that a new member should make such a statement.

The Acting Speaker (Mr. Turner (London East)): Many members of this House serve on committees. I suggest that the hon. member for Calgary North (Mr. Woolliams) carry on.

Mr. Woolliams: Thank you very much. I have never had so much help when making a speech and I appreciate the support I am getting. However, I should like to answer that. There is one thing that has been said in this House which bears repeating for the benefit of a new member. When one goes out big-game hunting one does not follow rabbit tracks.

Mr. Harquail: Who is the rabbit?

An hon. Member: You are. You have a lot to learn, sonny.

Mr. Woolliams: We ask the government what the deficit will be. We predict that it will be more than $7,000,000,000. It might be up to $8,000,000,000. The government will not, as the hon. member for Peace River has said, bring in its supplementary estimates until it has attempted to get its anti-inflation program rammed through the committee by the 11th or 12th of November. That is where our members are at the present time. They are fighting a battle for the taxpayers.

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. The hon. member for Saskatoon-Biggar.

Mr. Woolliams: How much time have I had, Mr. Speaker? I started at 8:30.

The Acting Speaker (Mr. Turner (London East)): You are allotted 20 minutes, sir, and have spoken for 20 minutes.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise with some modest trepidation after the wonderful and perceptive speech given by my hon. friend and colleague from Calgary North. I feel that anything I may add will be a little anti-climatic. On the other hand I do wish to make a contribution to this particular debate. I wish to voice some concerns and opinions I have with respect to the government's policy concerning the whole question of spending, and lack of control and restraint in that area.

One of the features of the so-called program of the government to fight inflation as represented by the white paper tabled in the House by the Minister of Finance (Mr. Macdonald) is an obvious lack of enthusiasm with respect to any sort of meaningful policy of restraint in the area of government expenditures.

Some three pages of the white paper are devoted to government expenditure policies largely for the purpose of justifying the increase in government spending and the present level of expenditure. There is an admission that federal government expenditures have risen at a greater rate than that at which the economy has grown, but then it is pointed out that the rising trend has not been unique to the federal level of government, and that a very large proportion of federal government expenditure is under the statutory programs and other arrangements where there is little flexibility.

The bankruptcy of initiative in this most important area of restraint, if we are to have any realistic program to control inflation, as confirmed by the statement made by the Minister of Finance that there is little scope for the government to reduce expenditures. All I can say to that type of approach is that there is a certain touch of lunacy in the proposition when on the one hand the government is attempting to introduce severe limitations on the working men and women of this country, many of whom can scarcely afford the basic necessities of life, and on the other hand it adopts a rather cavalier approach to any suggestion of restraint on its own expenditures.

Government Spending

The Prime Minister (Mr. Trudeau) and members of the cabinet have started to criss-cross the country in some sort of crusade to convince Canadians that they must co-operate with the policy of controls imposed on them by the government. There is no question that they have a very big job on their hands to establish the credibility of this program, when one looks back at the history of vehement attacks made by the Prime Minister and his colleagues against any suggestion of price and incomes control. But having come round a full 180 degrees in their attitude, and having then embraced a policy of long-term controls on prices and wages, they in effect grant themselves an exemption from restraint.

The Prime Minister keeps telling us that the people of Canada have been calling for leadership in economic matters and that this is the reason why the new program has been put into place. He apparently does not understand that part of this leadership that the people of the country are looking for is restraint and responsibility in that area in which the government has direct control, which is the area of government spending. But let us put the matter of government spending into perspective.

In the first place, one does not have to be an economist or even a close observer of government affairs to see that spending in government has gone virtually out of control. Between 1973 and 1974 federal government expenditures increased from $22,402 million to $28,715 million, a spending increase of $6,313 million in one year. The amount of this spending increase is greater than the total of federal government expenditures for 1958, which was $6,176 million. If all federal government expenditures during the first 77 years of confederation were added together, the total amount of $27,806 million would be less than what the federal government spent during the last fiscal year.

From 1867 to 1974 federal government expenditures have increased 209,247.6 per cent. Federal government expenditures in 1974 were twice the size they were in 1969, nearly three times the amount spent in 1961, and over 12 times the 1950 level. If expenditures were to continue to grow at the rate achieved between 1973 and 1974 they would double in less than three years.

● (2050)

From 1969 to 1974 the general price level in the economy increased something in the vicinity of 44 per cent. Prices paid by consumers increased by 34 per cent, and prices for imports by some 43 per cent. At the same time prices paid by governments increased by some 50 per cent or 51 per cent, which indicates that the government has been more tolerant of price increases than any other sector and has contributed more to inflation than any other sector.

In 1974 federal government expenditure represented a daily spending of something in the vicinity of $78.7 million; and in terms of hours and minutes this works out to 3.3 million every hour, $54,600 per minute, or $910.50 per second. This is more than a cash flow; it is a cash flood.

With respect to the size of the civil service, in 1970 there was one federal civil servant for every 78 Canadians. In 1974 that ratio was reduced to one civil servant for every 67 Canadians.

Finally, on an average basis every Canadian man, woman, and child paid $1.06 per day in personal taxes to the federal government in 1970. In 1974 every Canadian paid an average of $2.08 per day in federal income tax.

With this history of almost mind boggling growth in government expenditures, it is inconceivable to me that the government can simply brush off any fundamental re-examination of its own spending habits.

The Attack on Inflation Paper takes some pains in trying to show that government expenditures cannot be reduced, or their growth even significantly moderated without adversely affecting transfer payments, aid programs, and the level of service to the public. Such a view ignores the question of whether a cutback in government programs may be necessary to achieve the more important goal of moderating inflation. Since inflation disrupts government programs it may be necessary to reduce the level of service in order to maintain service in an orderly manner.

The idea put forward in this white paper that growth in government expenditures cannot be moderated is, I suggest, unsatisfactory and far from conclusive. What the government has in mind in connection with moderating expenditures is a good question, and the answer is virtually nothing of consequence.

If one reviews the points raised by the Minister of Finance in this paper, trying to determine in what areas the government intends to make a reduction in expenditures, one comes up with the conclusion, I am afraid, that it is not going to have very much success, or that it is not very interested in that final result.

The reduction of federal employment growth to 1.5 per cent still will allow increasing of the federal public service by more than 5,000. However, the statement concerning the reduction in the rate of growth of federal employment is immediately qualified by a reference to the necessity to accommodate additional personnel required in connection with the implementation of the wage and price control program and other so-called essential services.

During the course of debate the Minister of Finance has indicated that he anticipates a complement of something in the vicinity of 200 persons in connection with the anti-inflation review board's activities. With the propensity of the government to use Parkinson's law as the basis of its employment policies and projections, I can well imagine that this will merely be a springboard figure for this particular body.

The government is committed to a program of controls on every segment of our society, and the Prime Minister has made his intentions abundantly clear in this connection. It appears more and more certain that before too long the government will be obliged to take whatever steps are necessary to ensure that this program is made applicable to everyone in Canada, as opposed to the selected groups and individuals now referred to in the legislation before us these days. We seem to be grinding on toward the most massive intervention into the affairs of individual citizens we have experienced in our country at any time, except possibly during war time, and the administration required to put this program into place will, therefore, also be required to be massive. This administrative nightmare will involve an extraordinary demand for personnel, and I anticipate that this in turn will cause extraordinary pres-

sure against any meaningful reduction in the growth of the public service.

When this additional personnel is added to the additional workload to be placed on existing government departments, the pressure on those departments affected to increase personnel will also be very great. The Minister of Finance, in response to questions concerning the operation of the control plan, has said that the process of policing increased salaries and profits will be affected through the existing tax collection department. He indicated that the Department of National Revenue has done a very good job in the matter of taxation of income, and he intimated that this department would therefore be involved in the process of monitoring and policing excessive wage and profit increases.

As I have stated there will, therefore, be that kind of additional pressure put on existing departments, and one can almost guarantee that the projected limitation on increasing the civil service will not be met by virtue of the wage and price control program alone. I see the Minister of National Revenue (Mr. Cullen) talking to the President of the Treasury Board (Mr. Chrétien), and there is no doubt in my mind that he is already asking for more help in policing this program.

What are we left with in regard to a reduction of expenditures? The whole thrust of the supposed reductions leaves us with the pathetic proposition that the government will limit the normal replacement of office furniture, the use of first class travel by air, and suspend normal schedules for replacement of departmental automobiles. Will anyone in this country take seriously the resolve of the government to give leadership in the area of restraint with these preposterously insufficient measures?

I want to discuss the matter of first class travel because it is of interest to me. On July 10 of this year I asked the government for statistics for 1973, 1974, and to the end of June, 1975, with respect to air flights taken by public servants through the Canadian government central travel service and the number and value of first class flights. The answer received from the Minister of Supply and Services (Mr. Goyer) indicated a total number of air flights for 1973 of 104,100. In 1974 this went up to 153,795 and there were 94,146 to the end of June of this year. The total dollar value of all flights was $16,099,290 for 1973; $24,847,415 in 1974, and $16,037,950 to the end of June of 1975.

However, the minister did not answer the question about how many of those flights were first class or what the dollar value of first class was because, as he stated, records of first class flights taken were not maintained by the government or its agency. How then was the government able to determine in the first place what savings it would make by prohibiting first class air travel? And in any event, assuming the government cut out all travel, there would hardly be a dent in the total and complete budget of this country. However, if we take only that portion which we have to guess at with regard to first class—and perhaps the reason we are not getting that information is that there was an excessive amount of that kind of travel in the first place—I do not understand exactly why the government has made such a big issue about air travel and the reduction of air travel. It is simply a cosmetic or tokenism type of approach to the reduction of expenditure.

● (2100)

Finally, of course, with air travel a good portion of this money will be going to Air Canada, a Crown corporation, which will receive the benefit of these travels by civil servants.

I understand that even the rank and file Liberal member of parliament is anxious that there be restraint in government spending as a tangible example to the country, if we are to believe what is quoted in the press.

In the Toronto *Star* of October 14, 1975, an article appears, headed "Liberal MPs offer to give up Raise". The article goes on to say:

> Liberal MPs last night indicated they are prepared to forgo a 7 per cent cost of living increase as an example to the country.
>
> Prime Minister Pierre Trudeau mentioned the cost of living adjustment to the MPs is due on January 1 when he briefed the Liberal caucus last night on the government's anti-inflation program—
>
> Trudeau, who told the MPs they were faced with a difficult decision was greeted with cries of "Wipe it out" and "Let's drop it now".

This attitude amongst the supporters of the government is a hopeful sign. However, when one considers that the Prime Minister, on the immediately preceeding Friday announced the appointment of no less than 27 parliamentary secretaries who get something like $5,300 extra per year, the enthusiasm of the caucus may be due to the fact that most of the members of that caucus have now been given jobs under which they receive substantial additional moneys.

Finally the "Attack on Inflation" paper indicates that the President of the Treasury Board will also require the re-imposition of the 10 per cent reduction in travel expenditures and expenditures on consultants. I should like to make some comment regarding consultants. The Liberal government has increasingly resorted to the use of outside consultants in the preparation of working papers, policy formulation, and studies in general. Many of these studies and analyses could have been readily carried out by the respective branches of the various departments. However, the government has repeatedly shelved this approach.

Many of the projects presently being undertaken by consultants are questionable, as are the credentials and validity of some of the consulting firms. Undoubtedly the patronage principle has been utilized to the utmost by the government in relation to some of these consulting firms.

A severe reduction in the use of consultants at this time should be seriously examined in the fight against inflation. The utilization of consulting services should be kept to an absolute minimum. Instead the government should fully utilize the services and resources afforded by the trained personnel of the various government departments. Such a move will not only help to check inflation but will also strengthen morale within the echelons of the civil service, a morale which has been continually down-graded with the acquisition of power by the Trudeau government.

Because of the way in which the government has presented its information on consultants it would appear to be impossible to discover just how much the government is spending on consultants each year. The figures for consultants are included in the figures for professional and special services. An indication, however, can be gained from some information which we have.

Government Spending

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Hnatyshyn: On a point of order, Mr. Speaker, when I was interrupted I was just noticing the time and—

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member's time has expired. The hon. member for Cape Breton-East Richmond (Mr. Hogan).

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, the Liberals are fond of telling Canadians that they are good administrators, that in fact only they are capable of running this country.

My experience and observations are that the Liberals may be pretty good in dealing with cultural matters such as Canadian unity, and I guess that is because of the historic relationship of the Liberal Party with Quebec, but when it comes to the economy they just cannot cope.

Mr. Guay (St. Boniface): Ask him why he left the church.

Mr. Hogan: You keep the church out of that, Joe. You should have more sense than to introduce it.

When it comes to inflation they admitted until recently they were powerless to deal with it, blaming it all on international forces. They should have stuck with that line. What has been proposed now, wage control, has been almost universally dismissed as the wrong solution to the problems facing the Canadian economy today.

Seeing the Liberals floundering so badly in trying to solve the country's economic problems, we in the New Democratic Party produced a number of suggestions for useful measures which could be brought in to reduce inflation and to temper its effects, for example, a selective price controls and prices review board with teeth in it; measures like public assembly of land for housing to eliminate the speculative factor that is driving up housing costs; projects like orderly public development of our energy resources to ensure that we have a constant and reasonably priced supply; a two price system on selected commodities, although they seem to have adopted that one in the anti-inflation legislation. But the Liberals generally refuse to take sensible measures seriously. Instead they are subject to the wildest of notions on how to control inflation. For example, reading in the financial pages that it is imperative to cut down on government spending in order to control inflation, they seem to respond uncritically.

Look how they do it. We read in the June budget that some $800 million is to be saved by cutting the budgets of federal government departments. What programs in what departments are being sacrificed? There is no indication in the budget that any thought was given to priorities in government spending. Instead we were treated in some cases to hysterical strokes of the pen.

Take the small crafts and harbours expenditures. Over the last ten years the government managed to bring expenditures for small crafts and harbours, which affect so many small communities on the west coast and the east coast, from $12 million to $30 million. In the June budget this year the then minister of finance took $10 million away and the government let him do it despite the fact that so many small fishing communities will suffer terribly as a result. They will suffer not only because of the multiplier effect of that money being taken out of local economies but because they will not have the means, such as harbours and so on, to improve their productive capacity and help supply some of the protein that Canada and the world needs. The people in all those villages on the west coast and on the east coast lost $10 million on that deal, and the cabinet approved it.

Again, finding that due to continuing high unemployment rates more government money is being spent on unemployment insurance than originally predicted, they contrive to shift the cost of UIC away from the federal government to the employers and workers. They accomplish this by increasing the payroll tax and the premiums paid by those who are working and by their employers. This scheme will save the federal government hundreds of millions of dollars, but it will also remove an important incentive for keeping unemployment rates low. But unemployment of 7 per cent to 8 per cent does not seem to worry the cabinet.

Not only are the results of some of this policy of slashing government spending socially odious such as I mentioned in regard to the small crafts and harbours case, but the thinking behind the policy is misguided. I say that because in the first quarter of 1975 the public sector spent some $4 billion in gross fixed capital formation. In comparison, the private sector spent over five times as much—$21 billion.

If one is concerned about spending and ensuring that the investment which occurs in the economy is of the type which produces the goods and services we need and not simply contributes to great inflation, then it makes more sense to ensure that spending in the private sector increases so that we can achieve public interest goals.

● (2110)

Cutting necessary public spending on the pretext of fighting inflation may be damaging. For example, let me refer to something that happened before the last federal election. Just before the election the Department of National Health and Welfare published a document which was to be a new perspective on the health of Canadians. The report emphasized that if we were to improve our health standards we must spend more money and devote more resources to preventive medicine, rather than trying to repair the damage at the last minute, long after it has been done. That sounds like a sensible approach, does it not? In other words, don't wait until the man is half dead from lung cancer, from breathing asbestos fibres, or coal dust every day at work, and then try to lengthen his life with surgery. Make an early diagnosis of his condition by using social devices, such as community health centres which are stuffed to provide the service. Treat him, and remove the source of the polluted air.

I point out that the federal government did not come up with this as an original idea. New Democratic Party provinces, particularly Saskatchewan, have long said to the federal Liberals that Canadians need more health facilities, not less, and that it costs less in the long run to catch disease at an early stage and treat it in health centres or

convalescent homes where costs per bed are not as high as in acute treatment hospitals. Although these programs are expensive to implement at the beginning, there are savings in terms of lives as well as dollars.

We argue in favour of necessary government spending, but this is not to say that one cannot point at blatant examples of waste and misuse of funds at the federal and provincial levels. Again and again the Liberals allow themselves to be taken in by sharp operators. It is a wonder that any self-respecting businessman can have any respect for the federal government, as it seems to be so lacking in business sense. Consider, for example, the case of Microsystems. The government invested $36.7 million in this company, receiving no equity in the company nor any appointments to the board of directors. The company has been liquidated under unusual circumstances, with the government losing at least $30 million of its investment. And what has the government done? Nothing.

Consider also the aircraft industry. During the next few months the government will consider purchasing $3 billion worth of aircraft for the military. At present $47 million worth of CF-5s are in storage, presumably because the aircraft are not suitable for use. We are not assured that the new purchases the government intends to make will be useful either, especially as they are being linked to the offers of several multinational aircraft companies to rationalize the Canadian aircraft industry. They intend to do this by generously taking over all the money the government has invested in the industry by way of grants and loans. They intend to produce a line of aircraft which are suitable for the international marketing demands of the company involved, but not to the needs of the Department of National Defence. I hope the Prime Minister (Mr. Trudeau) will look into this and stop that nonsense before it goes any further.

Thirdly, consider housing. We are told that the government is to propose new housing measures soon, as part of the control program. We heard much about housing during the last election campaign, but what did the proposals for housing achieve? As any economist will tell you, the government increased the demand for housing, but not the supply. The result is that house prices in Canada are so high that most, whether they live in Toronto, or Montreal, or Halifax, various areas of the Maritimes, or St. John's, Newfoundland, cannot afford a house. The Liberals will probably want to give the private sector more incentive for building houses. This past spring they introduced amendments to the National Housing Act to provide more subsidies to builders of rental housing. The results are neglibible. Apartment starts are still low and the increasing demand from tenants and from provinces for effective rent control shows just how serious the supply problem remains.

In the November, 1974 budget, doctors and lawyers were given a tax break, to encourage them to invest in rental housing. But we have seen nothing significant in the way of new starts. In addition, the government estimated that it would lose $20 million in taxes, both personal and corporate, by virtue of this tax break. That amount is almost double the federal government's 1974 contribution of $13 million to senior citizens' housing, and less than the $18.9 million paid in subsidies for federal-provincial rental housing in that same year.

Government Spending

An hon. member mentioned Mirabel, and one immediately thinks of allegations of corruption in connection with the airport. I say this to draw attention to the unbelievable amounts of money that were spent on consultant services and feasibility studies in connection with Mirabel. On July 15 the hon. member for Central Nova (Mr. McKay) put on the order paper a question concerning consulting fees and feasibility studies with respect to Mirabel. I do not want to be accused of bringing this matter up from racist motives—we heard accusations to that effect last year. No, I am bringing the matter up simply because it is an example of government waste. The answer to the hon. member's question indicated that since 1968 the Department of Transport has awarded 105 contracts for consulting services and feasibility studies for the Mirable airport, and that the total amount of money involved is $41,022,658.34. Surely even the most died in the wool Grit will admit that there is something drastically wrong. No wonder we shall see all kinds of investigations concerning contracts awarded in connection with Mirabel.

In conclusion I wish to say that in a mixed economy such as ours, the government has a most important role to play. I suggest that the government's anti-inflation bill is essentially a wage control program. Hopefully it will be amended so that working people of this country can be convinced that the government wants to control prices as well. At present we are sure merely that it is a wage control program. Broadcasting on the night of October 13, the Prime Minister said we are all trying to take too much out of the economy and that the people must reduce consumption. But consumption accounts for about 60 per cent of our gross national product. If you cut consumption and reduce government spending, you are relying on the other two sectors of the economy to prevent unemployment from rising to 9 per cent or 10 per cent while you look for lower prices. You are relying on business sector spending, and on export sector spending.

We know that business sector spending will probably remain high. The Minister of Industry, Trade and Commerce (Mr. Jamieson) said in so many words that although the government will control dividends for the first year of the program it will not disapprove unduly if profits are ploughed back into the company. I suggest that we need not worry about the capital accumulation of such companies; accumulation will continue, despite the anti-inflation program. In a way that is healthy. We do not want the private capital formation to go too low. Nevertheless it may be that what the government is finally depending upon is the growth of the American and other economies, so that the export sector will carry us along while the consumption and government sector is being used to dampen the economy in order to fight a one sided fight against inflation and hope that unemployment will not rise. However, it is bound to rise. I suggest it will go to 8 per cent this winter. Unless there are radical changes in the government's policy in the next six months, 8 per cent to 9 per cent will be typical next year.

● (2120)

Some people get tired of hearing me talk of unemployment. It is not just that I come from a part of the Atlantic region where we are used to being the poor cousins in confederation. At the present time it is not only the

unskilled workers who will feel the brunt of unemployment in Canada. Tuesday's *Globe and Mail* quoted Dr. John Sheppard, Executive Director, Science Council of Canada, as saying:

> People with Ph.D.'s in science are no strangers to unemployment and a federal anti-inflation program will make their job situation worse—
>
> We are, therefore, in a typical boom and bust cycle which is unfair to the student, hideously wasteful to the taxpayer and damaging to our potential as a technology-based nation. There are at present about 1,700 surplus Ph.D.'s in Canada and the education of each has cost taxpayers $50,000. It's time for industry, the federal Manpower Department and the universities to get together and begin planning for future job market needs.

It is time that the government and the progressive elements in the cabinet paid more than lip service to the word planning, making it a more meaningful project for all Canadians, especially those who live in the shadow of regional disparity from the beginning to the end of their lives. Indeed, this government on its spending policy and other policies needs to stop confusing the people and must begin to give us acceptable and competent management of our economy.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I am glad to take part in the debate and to go on with the debate on the basis on which the hon. member for South Shore (Mr. Crouse), the chairman of the Standing Committee on Public Accounts, has carried on with the debate this afternoon.

I should like to take this opportunity to point out the outstanding work he is doing as chairman of this committee which, as I will show later, has a very special place within our parliamentary system, and also the great tact, the cleverness, the spirit of neutrality and impartiality with which he presides over the destinies of this committee.

Indeed, since the start of the 30th Parliament, the committee has tabled three reports in the House, the fourth is now being revised and doubtless we will manage to discharge our responsibilities in the time allotted to us.

Still, Madam Speaker, I have a few remarks to make at this time which all parties may not find pleasing. Since I have had the opportunity of participating in the proceedings of the Committee on Public Accounts, I have noticed that one party in the House has never sent any of its members to its meetings. I am speaking of the Social Credit party of Canada. I regret it all the more as when we have debates such as those held today, those hon. members are often the most eager to rise and criticize the government on the way it manages its programs, on the fact that budgets are not high enough, and on the fact that there is a shameless waste of public funds.

It is very easy, Madam Speaker, on an opposition day, to come to the House and cry before the press and the public that the government spends too much on local initiatives projects, that its national defence programs are ill used, that it spends too much on office supplies. Now, when the Committee on Miscellaneous Estimates is sitting or when the Auditor General's report is tabled in the House, it so happens that those members are not attending. Even if we give them notice of those sittings, they never come to discuss spendings where decisions are really made.

[Mr. Hogan.]

I regret, Madam Speaker, to have to say that there is another party in the House which very rarely takes part in the proceedings of the public accounts committee. It is the New Democratic Party. I regret it all the more, because some members of this party are among those who attend the House most regularly, and who best know the procedure of Parliament. But why, when it comes to control government expenditures or to discuss the Auditor General's report, is this party not represented on the public accounts committee.

I think the first responsibility we have as members of Parliament is of course to be in the House on opposition days, but even more to be present in committees when decisions are made. This is the first remark I wanted to make, and I regret having to do it because I have always tried to place my speeches in this House on parameters of neutrality. I would not want my next remarks about the very nature of this Committee on Public Accounts to smack of partisanship. I think, Madam Speaker, that I had to report to the House that this committee suffers from poor attendance and that the political parties who delegate members to this committee should ensure that they have as many seats as are allowed under the rules.

The second remark I should like to make, Madam Speaker, concerns the politicization of the role of the Auditor General of Canada. Since Mr. James Macdonell was appointed Auditor General, we have witnessed a complete reversal in the attitude and the sense of responsibility of the Auditor General. His predecesssor saw fit to taint his actions with political overtones in order to be efficient. The present Auditor, on the other hand, found it more effective to carry out his responsibilities in a more professional way, more consistent with the principles of public accounting than his predecessor.

Madam Speaker, when Mr. Macdonell was appointed Auditor General of Canada, his first task was to establish an independent committee to review the functions, powers and role of the Auditor General of Canada, and especially the way Parliament is carrying out its duty to control public spending. This committee sat and presented a report; members of parliament have had the opportunity to read it and the President of the Treasury Board (Mr. Chrétien) informed us this afternoon that there is now a bill being drafted and that next session we would likely be able to discuss and adopt it. That is positive action. The minister did not limit himself to being guest speaker at dinners of social or philanthropic clubs across the country. I prefer an official who has the sense of responsibility and takes immediate action to improve the system. I do not believe it is necessary to limit oneself or that the Auditor General of Canada has a calling to attend every dinner conference across Canada to denounce government extravagances.

● (2130)

On taking office, the Auditor General of Canada realized that until 1962 when the Glassco Commission settled down to the task, there had never been a comprehensive review of the government's administration. He did not fuss about it, did not call at the Canadian Club or at the Rotary Club, he simply made the decision to contact the Public Service Commission Chairman and ask him if he would participate in the exchange program with private

industry. This resulted in the hiring of 32 accountants representing the largest chartered accountants firms in the country whose responsibilities would be to review completely the financial performance and the administrative controls of the government.

Madam Speaker, that work lasted a year. It resulted in the publication of a 500-page report which the government ministers have received and which will be tabled at the same time as the yearly report from the Auditor General of Canada, that is in early December. This report reviews the administrative performance of 28 government departments.

It is useless for me, Madam Speaker, to list the 28 government departments. However, I can assure you that another task force made up of 28 accountants from the private sector is presently investigating the administration of Crown agencies. When the Auditor General presents his next report, we will be able to see how the Crown agencies are administered and how the public funds are spent within those agencies.

Of course, Madam Speaker, 500-page report on government management tabled in the House may seem voluminous. Let me only mention that his review deals especially with budget preparation and control.

Madam Speaker, since your election, you had the opportunity, as I had, to receive what we call the blue book. Who in the House can make an efficient and intelligent use of that blue book? The manner in which government expenditures are presently recorded in this book makes it impossible for members of the House to use it.

It was essential that a group of qualified people examine the way the expenses are reported an accounted for, as well as the way the government allocates the various funds within the programs. I believe, Madam Speaker, that the first objective of the study conducted by the Auditor General was precisely to strengthen the control of the House over government spending.

As previously mentioned, Madam Speaker, I think it is much more difficult to criticize the way the blue book is drafted than to give dinner speeches across Canada.

The second element of the study conducted by the Auditor General was the financial reporting systems. We know for a fact that deparments and Crown agencies must submit interim reports periodically on the progress and amount of government revenue and expenses. Again the Auditor General has directed that a study be conducted which will allow us to scrutinize public spending more closely and more directly. He has also directed that this study include financial control of government expenses and income, assets and liabilities.

Then again, Madam Speaker, it is one of the essential tools available to both sides of the House to make sure that the expenditures are consistent with the purpose of the legislation passed in the House. Of course, are also included all aspects of the internal auditing, staffing and the flow charts of all departments. That 500-page study will be summarized in a 125-page document, and all the responsible ministers will have the opportunity to appear before the Standing Committee on Public Accounts and to answer for the comments reported in the Auditor General's report and in that study which I just mentioned.

I think that thanks to the sense of responsibility of the present Auditor General of Canada and the manner in which he views his duties, we can be sure that the administrative and miscellaneous government expenditures are properly scrutinized. And I am sure that all members who have attended the meetings of the Standing Committee on Public Accounts since the beginning of the 30th Parliament, readily acknowledged that the present Auditor General will be the most outstanding incumbent of that office.

And this explains why Mr. Wilson who attended the annual Auditor General conference last September mentioned that most of his recommendations could be almost readily accepted by the government and the Auditor General.

My colleague, the chairman of the Standing Committee on Public Accounts, said this afternoon that many of those recommendations could be adopted and implemented and would not require any new legislation. And at least nine of these recommendations have already resulted in initiatives and action from the Office of the Auditor General.

I believe, Madam Speaker, that the way the situation evolved since about a year ago is somewhat reassuring at least as far as administrative controls are concerned. I think that if we have to be accountable for something, it is more or less for the way the Standing Committee on Public Accounts is operating. And this is why I wish to draw your attention on the way this committee has changed in recent years.

I think that the Public Accounts Committee has a special role to play, a special job to do. It does not hold discussions nor does it get its orders directly from the government. It is not a committee which deals with bills or has work of an irregular nature to do. The terms of reference of this committee are closely related to the daily administrative chores of the government. Consequently, I think that the nature of that committee and its functions should encourage us to change its approach entirely. It is a committee which has a near judicial status, that is to say with a membership that should never submit to individual party lines or show political bias. And I said before that the chairman of the committee, since he has been appointed to that office, has tried to conduct the debates without reference to the political options represented by everyone in this House.

I think that the members of the committee should first attend the meetings and then stay on the committee for more than the duration of a session. In fact, as in the case of a court, a judicial institution, just like the judges, its members should not be affected by political pressures or have terms of office too short to let them fulfill their functions satisfactorily.

Consequently, the first amendment that should be made would be to set the Public Accounts Committee on a permanent basis. This committee should sit as long as required by its work and as long as the report of the Auditor General and the financial statements of the government have not been discussed at length. Moreover, the members of this committee should be appointed for at least four years and should not be changed except under exceptional circumstances. Also, the committee's calendar should not necessarily coincide with that of the session of the House. During a fiscal year, the House might sit for

only six months while the committee should be able to meet over a period of at least eight months to be able to implement the recommendations and carry out the mandates specified in the Auditor General's report.

I believe, Madam Speaker, that it would be appropriate to amend the rules of the House so that the report of the Auditor General of Canada could be automatically referred to this committee as soon as it is tabled, whether or not Parliament is sitting. I also believe that one of the duties of this committee should be to ensure that the recommendations can be immediately implemented by the government.

Indeed, it is useless to have allotted days like this one where any member may stand up and say either that the government is spending too much or is not spending enough, or even that it is spending just enough. It is absolutely useless to have such debates. I believe that if we want to be efficient, we should instead, as concerns the 33 paragraphs of the Auditor General's Report which did not bring about any change in our administrative procedure, ask each minister responsible for these paragraphs why no action was taken within his or her department to implement the recommendations made by the Auditor General. This would seem much more positive, more effective and more in line with the interest of Canadians. This would be better than simply pointing out the construction of a pool, the purchase of two cars, whether they be Cadillacs or Volkwagens, or exaggerated expenses for the fitting of an aircraft carrier or something else.

A Cadillac does not mean much in a $14 million budget. The important is that the administration that has made such a decision should follow the correct procedure and the instructions given by the controlling authorities within the department making the purchase. Once the ticket is bought, once the expense has been made, it is all very well to come and say: the government spent too much. It is much more demanding before making the expense to control the decision which was taken when the budgetary estimate was made.

Has anyone in this House questioned the estimates of the Department of Supply and Services when the money to be spent on that car was accounted for? Not one member of this House pointed out that an item in the estimates should have been deleted. And yet, once the money is spent, they are shocked and they make of it a matter of nationwide proportions. Madam Speaker, it is not an indication of departmental or public responsibility to question after the fact decisions one has been partly responsible for through one's silence and submissiveness.

Madam Speaker, if we are to amend our procedure, I think we should do so at the decision-making level before expenses are actually effected. Madam Speaker, if the Committee on Public Accounts is to prove useful, I think its report should not be tabled in this House when its sittings are completed and remain a dead letter. We should in fact discuss the third report of the Committee on Public Accounts, which was tabled in the House in March and was never debated by opposition members. No one ever requested the minister mentioned in one of those recommendations to appear in this House. Madam Speaker, if opposition days are to serve some purpose, they should be used to improve the administrative procedures and the manner in which financial controls are exercised within departments.

It is utopian to believe that a minister today controls every decision made in his department. Quite often the minister does not know how the expenses provided for in the estimates are effected. Only after the fact is the general public informed that such or such expense was carried out according to the budgetary estimates passed by this House.

I think, Madam Speaker, that one of the major amendments this House and the opposition should suggest—and I do not think there is any objection on this side of the House—would be precisely to use one of the opposition days to implement the recommendations in the report of the Auditor General which have not already prompted changes and amendments from the departments concerned.

I think, Madam Speaker, we already made a step in that direction: 55 paragraphs of last year's report of the Auditor General have already given rise to changes and amendments. The President of the Treasury Board (Mr. Chrétien) wrote to the Auditor General of Canada and told him that 55 paragraphs had been immediately acted upon by the departments concerned; 11 paragraphs were also being examined. Eventually, action would be taken but 33 paragraphs remained untouched. That is what troubles me, Madam Speaker: a committee sits for six months, the report is tabled, it contains a list of government expenditures, the opposition leaves it on the table but when it comes to talking about extravagant government expenditures we are told a lot of rubbish and the discussion is not based on actual expenditures and actual faults of the administration. I think, Madam Speaker, that if we want to be consistent with the institutions of this House, if we want to give them the responsibility, the respect they must have in our parliamentary system it is by coming to grips with reforms like those and leaving for the gallery all other expenditures which are little more than drops of water in an administrative reform whose first object is the interest of Canadians.

● (2140)

Mr. Roch La Salle (Joliette): Madam Speaker, it is with pleasure that I take part in this opposition day resulting from a motion introduced by our party and which blames the government for certain extravagant expenditures and asks that an end be put to a certain waste.

I was quite impressed by the comments of the hon. member for Maisonneuve-Rosemont (Mr. Joyal). He pointed out the importance of very specific subjects. I was also very surprised to learn that ministers did not exercise strict control over certain expenditures. I think it is all to his credit to have said so in the House and that is what concerns me, that lack of control, those exaggerated expenditures, that waste.

A number of members dealt with various matters, such as wasteful spending. There was also reference to overly prolonged mismanagement, maladministration, and inadequate policies falling short of objectives. I recall the hon. member for Edmonton West (Mr. Lambert) mentioned earlier this week the wrong direction taken by the Unemployment Insurance Commission and badly prepared fore-

casts. We know the results. I believe this also is wasteful spending.

Since 1968, the government had been re-elected with 175,000 unemployed. We now have 500,000. We hear repeated every day, and we have been told again today by members opposite how often legislation was enacted, how many suggestions tendered, how many efforts and attempts made to improve the situation.

But after ten years, it is realized not only in Quebec but across Canada that the government's credibility is challenged. The public's confidence is getting dangerously low. I hope nobody will say this is our doing.

This opposition day allows us of course to stress these shortcomings, these problems, the Canadian public's concerns.

We blame the government for certain extravagant expenditures. The President of the Treasury Board said this afternoon that I myself enquired about possibilities of extra money in the area of local initiative programs.

Therefore, I was favouring extra expenditures. I think we should look at the advertisement for LIP projects. Since 80 per cent of these projects are refused because of lack of money, maybe savings could be made on advertising expenses, so that more projects may be undertaken.

I think there is much more publicity for so little results. I feel that it is an unnecessary expenditure. On the whole, the government is supposed to invest those funds judiciously. This is a proof after ten years that the social climate is unhealthy, that the people are angry and ill-disposed, even if an attempt was made recently with Bill C-73 to correct this situation.

The Canadian people have seen the government ridicule our party in the House, when we suggested controls two years ago. Four years ago, the leader of the Progressive Conservative party (Mr. Stanfield) during a trip throughout Canada asked the government to take concrete steps and even introduce strict legislation, as we were already referring to inflation control.

Therefore, we were ridiculous, Madam Speaker, but by various devices the government succeeded in frightening the people with the war measures when it was not with something else, but always under the pretext of a national crisis, they convinced the Canadian people that we were wrong.

But today, we have to admit and we do realize that the government must take action. Recently, one of our ministers resigned, the former Minister of Finance, who had obviously, according to our information, already recommended to his government certain restrictive measures. When the government failed to comply with his request on a short term, he resigned.

Recently, the government introduced Bill C-73 which corresponds in principle to a desire that we expressed a few years ago, and especially in 1974.

Already some years ago, there were discussions with reference to controls, mostly in 1974. However, the Prime Minister was perhaps a little ill at ease when he said he had negotiated with the provinces and had been assured of their support as well as that of the unions, etc.

● (2150)

Today still, we realize that labour organizations are setting up resistance movements, that the provinces are not in agreement. There has been no consultation, Madam Speaker. We were not assured beforehand that the cooperation of those organizations and of the provinces would obviously be a prerequisite to the implementation of the legislation. We agree in principle with control measures, though there must be some assurance that the controls can work. It was misleading information when we were told that the support of essential bodies was secured.

As this requires extensive travels in Canada by members of the government and renewed consultations without delay, considering the resistance of some organizations and provinces, I say that also is a waste of public funds. Perhaps that waste is what I want to make the government aware of, a waste which makes the people of Canada lose confidence in their government.

It is not necessarily the purchase of a Cadillac, but I think the measures introduced during the last ten years, the social context in which we live, the social climate which is terribly disrupted, are a waste on the part of the government. They have not been able to bring in legislation capable of reflecting reality and solving problems. For instance, in the area of unemployment, the government is trying more than ever before to make us accept as a fact of life an unemployment level ranging from 600,000 to 700,000. We certainly cannot accept that.

We have mentioned the possible lowering of the old age security pension entitlement age to 60, which would permit people 60 years of age to retire if they wanted to. I have felt in the past and I still do that this would open the labour market to a great many young people whom we maintain in an unemployment situation and support through social security benefits or other means. Although they carry interesting diplomas, these young people are dissatisfied because they are still unemployed. We still believe that the government should have allowed a few thousand Canadians to retire after 40-odd years of deserving work. The government is saying no to this. I think this would be a way to save a lot of money and correct the social climate. The government says not to this. Although it has taken a very shy step in respect of a group of people, the aged, it is unfair for other groups.

We shall deal with unemployment insurance again this week and we shall try, through the bill under review, to recuperate $250 million from the pockets of the small earners. This is not the way to encourage people to believe in a sound administration. The social unrest which cannot be appeared by such measures force us, of course, to take advantage of this day to blame the government and ask it to think seriously of means to correct the situation. I am led to believe that the government has lost its head, as our people would say. It makes mistake over mistake, with the result that the public in general is not only disappointed, but also deeply worried.

Lately, in May, I cannot say that the government lied deliberately to certain groups of people, I think, for instance, of milk producers, to whom promises had been made and who lost a part of their income because of arrangements made by the Minister of Agriculture (Mr. Whelan) or by the Canadian Dairy Commission. Their

income was not sufficient to cover their production cost, and that had lasted for a year. Such measures do not lead them to congratulate the government. And it is still going on.

I think we must realize the economic failure the government is facing at the moment. The Department of Economic Regional Expansion made incredible efforts. To what extent did it make sure that it had sufficient funds to maintain existing industries and to modernize and improve those that could stay in the market, while trying to create new ones?

I feel that while good work was done to create new industries, the jobs that already exist were somewhat neglected. It is all very well to create new jobs; but the basic principle should first assure that present jobs are maintained. And so, the more we have inadequate legislation, the more our modern social climate degrades a concerned people. Of course, we will be accused of making political hay with such allotted days, but I feel that it behoves us to ask the government to introduce measures capable of solving present day problems.

Thought should also be given to the economy we could build. The Solicitor General speaks increasingly of improving the prisons and the parole system, and what it would cost the government. To my mind, we have the right to ask that the people on welfare, the handicapped, be taken care of before making our prisons into living rooms. I think that would be a good investment too. Those are as many things that explain why the people are losing confidence in the government.

And we saw recently that the Canadian people loses confidence in the government. Today the Canadian people want bread and butter on the table. For ten years Canadians have been satisfied with what they had, the majority of Canadians were patient perhaps because of the good image the Prime Minister (Mr. Trudeau) could give on television, because of a few interesting measures, which could also be pleasing, but I think that the honeymoon of the government is now over. The government must put some bread and butter on the table of Canadians and I think they will demand this. I think this is a warning for this government.

Personally, I take the opportunity to ask them to introduce measures which meet the needs of society.

Mr. Béchard: This is demagogy!

Mr. La Salle: This is demagogy, Madam Speaker! And they would like us to congratulate the government when we know full well that the Canadian people suffer. This is demagogy.

Mr. Stanfield: Hochelaga!

Mr. La Salle: I did not want to mention it but it demonstrates that people want the government measures geared to their needs and the Hochelaga election may prove to be a first class example of a constituency where the voters turned down a minister to warn the government it had better come back down to earth and present legislation to correct the situation.

[Mr. La Salle.]

Mr. Béchard: It was only one riding. The hon. member is making a big fuss over nothing!

Mr. La Salle: I hope today's speeches—and we heard some very smart ones from both sides of the House—will make the government understand that people will put up with things for only so long and can kick the government out if the situation does not improve.

[*English*]

The Acting Speaker (Mrs. Morin): Order, please. It being ten o'clock it is my duty to inform the House that, pursuant to Section (11) of Standing Order 58, the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GRAIN—SUGGESTED DEFERRAL FOR INCOME TAX PURPOSES OF INTERIM PAYMENTS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my remarks tonight in this adjournment debate refer to my question to the minister responsible for the Canadian Wheat Board on October 17 as recorded at pages 8302 and 8303 of *Hansard*. The question concerned the adjustment payments by the Wheat Board announced on October 9 of this year.

Earlier the Wheat Board had issued an urgent plea for early and large deliveries of grain, especially wheat, in western Canada, to help the Wheat Board meet some of its export commitments. This was an understandable request in view of the very low position of our grain stocks in storage anywhere in Canada available for export. Western grain farmers responded very positively to the Wheat Board's call for stepped-up deliveries, to the extent that approximately three times as much grain has already been delivered to country elevators as compared to a year ago.

It seems obvious to me that this excellent response by western farmers was to a considerable degree due to the understanding that they would have at least the option of deferment of these adjustment payments for income tax purposes. Current tax regulations do permit deferral of the initial grain payment, but the minister's response indicated this is not possible for the adjustment payments due to a need for a "change in the law". In his response the minister said, "—it should be clear that the increase in initial price can in fact be deferred in relation to grain delivered after October 9 when the increase took place".

● (2200)

After October 9 of course the initial price includes the adjustment price, and this higher initial price can indeed be deferred. Surely, Mr. Speaker, for the period prior to October 9, just because the farmer receives two amounts

that total the same as the new initial price after October 9, this is no valid argument to deny the producer the option to defer the adjusted payment.

The minister also suggested that the Wheat Board's extreme need for grain deliveries was not a factor in not allowing this tax deferral. I suggest it most certainly was since any farmer who made the decision to deliver early and not wait until the new year with the board's promise of deferral for his traditional price would most certainly have assumed that it would include his total initial price, that is, including the adjustment amount. Can the parliamentary secretary to the minister positively advise if regulations covering this specific situation were posted, or otherwise were available in country elevators when farmers delivered their grain this fall?

Failing a revised regulation giving the farmer the option of deferral, would the Wheat Board consider allowing this deferral provided the initial payment was also deferred; that is, both initial and adjusted payments would have to be treated the same way with the option open for both payments together?

I know the minister has received strong representation on this subject in support of the position I have just outlined from individual farmers, farm organizations, and western members of parliament on behalf of the farmers in western Canada. I hope the minister's parliamentary secretary does not respond by saying that it cannot be done because of the law or that the act would have to be changed. This is what we are here for, and it can be done. Could it be that the government is concerned about other agricultural commodity groups such as cattlemen asking for the same deferral privileges? The deferral precedent is now established so it is appropriate to ask simply "Why not?". I know the minister's parliamentary secretary was in attendance at, and spoke to, the Canada Grains Council meeting in Toronto this morning. I am sure this subject of adjustment price deferral was mentioned at that meeting. I would guess there was considerable support for the position I have taken tonight in this adjournment debate.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): May I begin by saying how pleased I am to be able to respond this evening to the very pertinent and well spoken comments of my hon. friend from Medicine Hat. He raises a point of considerable concern for many western grain producers.

As he mentioned, just this morning I had the privilege to attend and represent the minister at the semi-annual meeting of the Canada Grains Council in Toronto. In a question and answer period with the delegates in attendance it was clear that this issue of deferring adjustment payments is a matter of interest to many farmers. Opinions of Canadian producers, however, differed on the subject. They varied from those who argue "defer at all costs" to those who say: "No; don't defer at all; we need the cash now." The situation is therefore not unmixed. In any contemplated deferral system it would be important to be able to distinguish the one group of producers from the other.

As the minister advised the House on October 27 we have been conducting discussions to see if and how producers could defer adjustment payment income. These discussions are still continuing but a practical means has not yet been found to separate those producers who wish to defer this income from those who wish to receive it as soon as possible.

About 30 per cent of deliveries in the current crop year to date have been on a deferred cash ticket basis. However, one cannot always assume because a producer has delivered on a deferred cash ticket basis that he would also wish to defer his adjustment payment. For example, it is possible that certain producers may have anticipated an adjustment to the initial price and planned their deferrals and cash flow pattern with the anticipated receipt of an adjustment payment in this taxation year in mind. Others, of course, may simply be in a cash short position and may indeed want to receive that cash as quickly as possible. Accordingly, it would have to be ascertained with each producer whether he wishes to receive or to defer his adjustment payment.

If the onus were merely placed on the producer to advise the board to defer issuance of his adjustment payment until 1976, we would of course want to ensure that each producer was aware that he had this option. I think the hon. member referred to that point in reverse fashion. Otherwise, undoubtedly there would be many cases of producers not knowing of the option until after they had received their adjustment cheques and then perhaps attempting to return cheques to the Canadian Wheat Board for deferral.

The procedure required to determine which producers wish to defer income, and to ensure that payments are made this calendar year only to those who wish payment would involve extra time and administrative costs and could perhaps make it impossible to make the adjustment payments to any producers before January 1. Generally, our problems in this regard have been aggravated by the disruption of the postal service at the present moment.

In any event I simply want to assure the hon. member that we are aware of the problem he raises. We are working on it now. I cannot guarantee a successful solution to it for the present year, although we are trying very hard. For the longer run I hope we will have a well known, well understood and well advertised mechanism in place to deal with this sort of situation before another year comes around.

CAPE BRETON DEVELOPMENT CORPORATION—REQUEST OF UNITED MINE WORKERS FOR INVESTIGATION OF MANAGEMENT OF CORPORATION—GOVERNMENT POSITION

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, I was glad to hear the new Minister of Regional Economic Expansion (Mr. Lessard), who is responsible for the Cape Breton Development Corporation, on Tuesday telling us that he is willing to attend a meeting between DEVCO coal people and the UMW district executive and the four local union presidents in the area to listen to the criticisms which they have published, especially in the case of the union.

In talking privately to the Prime Minister (Mr. Trudeau), he has made it clear to me that there will be no formal investigation of the DEVCO coal management team by his government. I therefore suggest to the minis-

ter that when he goes down to meet with the representatives of the miners and the DEVCO coal officials, he might suggest that they invite Mr. Alex Brown, former special adviser to the federal government on the coal industry, a Cape Breton native and long time friend of Cape Breton coal miners, to chair the meeting between the groups.

In fact I would go so far as to suggest to the new minister that he try to bring the parties together in an all day session under the chairmanship of Mr. Brown to discuss the production and marketing problems of DEVCO, as well as the safety and industrial relations problems. Such a meeting would do a considerable amount to improve the relations between DEVCO and the union, which fell to a bit of a low after the fire in No. 26 mine and the temporary lay-off of some 750 men, of whom I understand all but 275 are now back to work.

The end of this month or early in December seems to be a good time for such a meeting and an airing of mutual problems, suspicions, criticisms, and goals. While I have a good deal of respect for what Mr. Kent has done in comparison with past executives of DEVCO, I feel that some of Mr. Marsh's complaints, which he aired publicly after the No. 26 mine fire, should be seriously considered. Mr. Marsh, the president of district 26 of the UMW since about 1958, has asked for the opening of three coal mines. Mr. Kent has said that there would be only one more new coal mine opened to 1980 which would mean production of some five million tons.

● (2210)

It seems to me that at least two mines in the area could be added—given the uncertainty of No. 26 even under the best of circumstances—and given the high unemployment rate in the area. Likewise, I think that Mr. Marsh's complaint that the present Minister of Finance's (Mr. Macdonald) alleged remark when he was minister of energy, mines and resources that Nova Scotia should depend more for its power on nuclear energy than on coal, should be clarified and explained.

There are many other union management concerns such as safety and industrial relations, that at this particular time should be seriously debated under the direction and guidance of Mr. Brown. I say this because the Cape Breton coal industry is at a turning point where it can go from being an industry totally dependent on the Canadian taxpayer to one in which it can tend toward the breakeven point and indeed even have an operating profit within the next several years. That conclusion can only become a reality if there is an extremely high degree of co-operation on means and ends by labour and management in the Cape Breton coal industry. Given the situation of the past few months I strongly urge the new minister to do everything in his power to get the two groups together at an early date, and preferably under the guidance and direction of Mr. Brown in a closed meeting.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Madam Speaker, I am sure we all regret that the progress of the Cape Breton coal industry has suffered a setback because of the fire last June in a newly developed section of Number 26 colliery. But the setback, though serious, is only temporary. It does not in any way change Devco's policy for the modernization of the industry, and the government's approval of the program is unchanged.

[Mr. Hogan.]

It is regrettable but understandable that the setback should have produced some doubt and misunderstanding particularly among the workers. In that situation the suggested meeting seems to be a good idea. I understand that it would be a break from the long standing precedents in the industry, whereby only the top union officials meet with top management, and the locals with management at the individual mines. To get all levels together around one table would, I know, be warmly welcomed by the corporation, and I hope that they and the union will arrange it.

I certainly want to visit Cape Breton as soon as possible to see the industry, to go down the mine and speak with the workers and their leaders. I am not sure at this point in time, however, whether it would be the best thing for me to go and have this meeting. Nevertheless, I think the meeting should be arranged, and if I am not able to attend I will do my utmost to be there as soon as possible afterward to discuss matters.

As to the involvement of Mr. Brown as suggested by the hon. member, I understand that he is an experienced and able man now retired from his position with the Department of Energy, Mines and Resources. I would certainly think he could be helpful as an independent participant if that is the wish of both groups.

I will do my best to make sure that this meeting takes place as soon as possible, and take all steps to see that Mr. Brown participates if all parties agree. As suggested, it might be a good idea for Mr. Brown to chair that meeting as an independent participant.

VETERANS AFFAIRS—PRISONERS OF WAR—DATE OF IMPLEMENTATION OF RECOMMENDATIONS OF COMMITTEE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) and I collaborated on questions put to the Minister of Veterans Affairs (Mr. MacDonald) on October 15 to find out the position of the government with regard to the proposed legislation under a new act of parliament to compensate veterans who were former prisoners of war.

There is not much that I can add to what my colleague, the hon. member for Winnipeg North Centre said in the House on October 27, when he took the matter up, only to try to impress again on the government through the minister and to appeal to him again that this legislation be brought forward as soon as possible and, hopefully, before the Christmas recess.

Since I have the time, Mr. Speaker, I can only repeat the recommendations that came about as a result of long study of the Hermann report and the many representations that came before the Standing Committee on Veterans Affairs. The committee recommended in part, as recorded on page 628 of *Votes and Proceedings* for June 12, 1975:

(1) That a new act of parliament be enacted to provide compensation to all former prisoners of war. The effect of this would be to retain the principle in the Pension Act that payment of wartime disability pension be restricted to those instances where injury or disease or aggravation thereof was attributable to or incurred during military service, and that special compensation for the maltreatment, indignities and residual disabilities resulting from prisoner of war incarceration which cannot be recognized or identified would be payable under a separate act.

(2) That the formula for compensation payable to former prisoners of war of the Japanese be changed to provide that each such former prisoner of war will receive compensation equivalent to 50 per cent pension to which will be added the amount of pension payable under the Pension Act on account of his assessed disability to a maximum total of 100 per cent—

(3) The prisoners of war of other powers of World War II or who were captured by hostile forces subsequent to World War II be awarded compensation in accordance with the following schedule:

Incarcerated 0-1½ years	10 per cent
Incarcerated 1½-2½ years	15 per cent
Incarcerated 2½ years or over	20 per cent

To this compensation would be added the amount of pension payable under the Pension Act on account of an assessed pensionable disability to a maximum total of 100 per cent.

With regard to the widows of pensioners the committee recommended as follows:

When at the time of death of the prisoner he was, or would have been in receipt of a pension assessed at 47 per cent or less, that pension be paid to the widow in double proportion to the assessed degree of the prisoner's disability as it relates to the basic pension granted to widows.

At the present time a full widow's pension is paid when the pensioner's death was attributable to or was incurred during wartime military service, or in the case of peacetime forces if it arose out of or was directly connected with service; or when the pensioner's disability was assessed at 48 per cent or more at the time of death. The effect of this would be that because 100 per cent widow's pension is payable when the disability pensioner was paid pension at the 50 per cent rate, a double proportion would be payable if his disability was assessed at a lesser rate, so that, for example, the widow of a 40 per cent pensioner would be awarded 80 per cent of the normal widow's pension.

The hon. member for Winnipeg North Centre brought this matter to the minister's attention. The only matter of contention that I have to relate tonight, Madam Speaker, is that time is of the essence, and while I agree with my colleague in addressing a point to the minister, that he was as anxious as we on the standing committee were to make sure that this legislation is introduced immediately, I say that we have heard these stories before. I noted with interest today that the government House leader indicated progress in cabinet with the review of the recommendations, but I have also heard the House leader say the same things before with regard to veterans affairs.

● (2220)

Strangely enough, every prisoner of war association across the country is depending on the members of the Standing Committee on Veterans Affairs to come through with this bill. We on the standing committee can only try to impress on the minister and his government that any delays in introducing this legislation will again result in a lack of faith by veterans' organizations across the country. I am sure that I can promise on behalf of my party that the legislation would go through all stages in record time and that it would receive co-operation from all parties on this side.

I watch with interest the many speeches the minister makes to veterans organizations across this country. During the summer recess when members of parliament were supposed to be on holiday, I too made speeches to veterans' organizations. The first thing they say, whether they be former prisoners of war or not, is that it is imperative that this legislation be introduced as soon as possible.

While the recommendations are all vital to show our support of prisoners of war, the most vital have to do with widows' pensions and widows who are restricted from receiving a pension if their husband was receiving less than 48 per cent. This section in particular is discriminatory, stupid and ridiculous because it is these widows who most need the help.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but his time has expired.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Madam Speaker, it is a pleasure to be able to speak on behalf of the Minister of Veterans Affairs (Mr. MacDonald) to reply to the question by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) requesting a bill relating to Canadian prisoners of war in Europe and Hong Kong.

Hon. members will recall that the Standing Committee on Veterans Affairs at its meeting of June 22, 1972, requested that a study be undertaken to identify any physiological or psychological long-term effects which their incarceration may have had on ex-prisoners of war of the European theatre, numbering approximately 7,500. The government accepted this recommendation and on January 31, 1973, the study was undertaken by Dr. J. Douglas Hermann, a distinguished Canadian surgeon. Dr. Hermann's report was tabled in the House of Commons on Monday, November 18, 1974. It was subsequently referred to the standing committee for study on Wednesday, March 26, 1975, and the committee reported back to the House on Thursday, June 12, 1975.

I ask the hon. member to listen carefully to the last paragraph because couched in its terms he might find some of the answers he is seeking.

In the meantime the Minister of Veterans Affairs has held consultations on this very important subject with his colleagues. At the present time this, along with other government proposals, must be examined carefully in the light of the recently announced guidelines. The minister would hope, therefore, that the request for compensation for ex-POW will not become a victim of our financial restrictions.

As hon. members are aware, the House leader referred to this in the House today. I would like to be more positive, but neither the minister nor I can give the hon. member any further information except that the matter is under close consideration.

Motion agreed to and the House adjourned at 10:27 p.m.

END OF VOLUME VIII